NEW APPLICATION

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Attorneys for Willow Springs Utilities, L.L.C.

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF WILLOW SPRINGS UTILITIES, L.L.C. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE WATER AND WASTEWATER SERVICE IN PINAL COUNTY, ARIZONA.	DOCKET NO. ____ -- ____ WS-20432A-05-0874 **APPLICATION**

Willow Springs Utilities, L.L.C. (the "Company" or "Applicant") submits this Application for a water and wastewater Certificate of Convenience and Necessity. In support of this Application, the Company states as follows:

1. The Applicant was formed as an Arizona limited liability company on November 7, 2005 whose Managing Member is Willow Springs Properties, L.L.C.s. The purpose of the Company is to provide water and wastewater service to the new 4,600 acre, 6,500 residential unit Master Planned Community named Willow Springs which is located in Pinal County, Arizona. The property is and being developed by its owners, Willow Springs Properties, LLC. That entity is owned jointly owned by Lennar Communities, a NYSE traded company, and ANAM, Inc.

2. A copy of the completed Application for a Certificate of Convenience and Necessity ("CC&N") as required by the Commission is attached hereto as **Tab A.**

3. Copies of the Request for Service from the owners of the Subject Area, supporting the Application is attached hereto as **Tab B**.

4. Master Plans for the entire community were prepared by Westland Resources, Inc. The Water Division and the Wastewater Division Plans are attached to as **Tabs C and D**, respectively.

5. The Company proposes to provide service to the Subject Area under terms and conditions as set forth in the proposed form of Tariff in **Tab E** hereto. The Company's proposed rates and charges are set forth in **Tab A, Attachment 3, Schedule ACC Attachment D** for water and wastewater respectively. Also included with that Attachment are the Financial Statements of the Managing Member, Lennar Communities, and the Direct Testimony of Ronald L. Kozoman, explaining how the proposed rates were derived. The Company specifically requests that the Commission approve that form of Tariff as those rates and charges may be amended by appropriate regulatory action.

6. The Company has attached as **Tabs F and G** are proposed standard forms of Line Extension Agreements for water and wastewater service respectively. Those agreements deviate from the Commission's Rules and Regulations by providing a five percent (5%) annual refund for a twenty (20) year period. The Company specifically requests that the Commission approve those proposed refund provisions.

7. The Company will provided the form of notice attached as **Attachment 7 to Tab A** to all property owners in the Subject Area. An Affidavit to that effect will be filed with Docket Control upon completion of said notice.

WHEREFORE, the Company respectfully requests that the Commission hold a hearing on this Application as soon as practicable, and thereafter issue an order granting the requested water and sewer Certificates of Convenience and Necessity, approving the form of Tariff and authorizing the proposed refund provisions.

Respectfully submitted this 5th day of December 2005.

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

By: _____

Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Phoenix, AZ 85016
Attorneys for Willow Springs Utilities, L.L.C.

The original and fifteen copies of the foregoing were filed this 5th day of December , 2005:

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

_____

TABS

A. ACC CC&N Form Application

B. Requests for Service

C. Water Master Plan

D. Wastewater Master Plan

E. Proposed Tariff

F. Proposed form of Water Line Extension Agreement

G. Proposed form of Wastewater Line Extension Agreement

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant (Company) is:

Willow Springs Utilities, L.L.C.
1600 East Hanley Blvd., Suite 128
Oro Valley, Arizona 85737
(520) 219-1815

B. If doing business (d.b.a.) under a name other than the Applicant (Company) name listed above, specify:

Willow Springs Utilities Company

C. List the name, address and telephone number of the management contact:
Kevin Tarbox
1600 East Hanley Blvd., Suite 128
Oro Valley, Arizona 85737
(520) 219-1815

D. List the name, address and telephone number of the attorney for the Applicant:

Richard L. Sallquist, Esq.
Sallquist, Drummond & O'Connor, P.C.
4500 S. Lakeshore Drive, Suite 339
Phoenix, Arizona 85016
(480) 839-5202

E. List the name, address and telephone number of the operator certified by the Arizona Department of Environmental Quality:

Chris Hill
Agua Southwest, L.L.C.
P.O.Box 70022
Tucson, Arizona 85737

TAB A

(520) 904-0741

F. List the name, address and telephone number of the on-site manager of the utility:

Chris Hill
Agua Southwest, L.L.C.
P.O. Box 70022
Tucson, Arizona 85737
(520) 904-0741

G. The Applicant is a:

____ Corporation: ____ "C", ____ "S", ____ Non-Profit ____ Arizona, ____ Foreign	____Partnership ____Limited, ____ General ____ Arizona, ____ Foreign
____ Sole Proprietorship	**X** Limited Liability Company (LLC)
____ Other (Specify)	

H. If Applicant is a corporation: **N/A**

1. List names of Officers and Directors:

Officers	Directors
_____	_____
_____	_____
_____	_____
_____	_____

2. Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

3. Attach a copy of the Articles of Incorporation.

4. Attach a copy of the corporation's By-Laws.

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue:

6. If stock has been issued, indicate the number of shares issued and date of issue:

_____

I. If the Applicant is a partnership: **N/A**

1. List the names of the general partners:

_____ _____

_____ _____

2. List the name, address and telephone number of the managing partners:

_____

_____

_____

3. Attach a copy of the Partnership's Articles of Partnership.

- If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

J. If the Applicant is a sole proprietor, list the name, address and telephone number of the proprietor:

N/A

_____

_____

K. If the Applicant is a Limited Liability Company:

1. List the names of managers:

Willow Springs Properties, L.LC.

L. List the names and addresses of any other public utility interest, which the applicant may have:

N/A

M. Attach a description of the area requested using **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted.
Please see Attachment 1 hereto.

N. Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.
Please see Attachment 2 hereto.

O. Attach financial information in a format similar to Attachment "C".
Please see Attachment 3 hereto.

P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

The Backbone Facilities will be funded with Membership Capital.
The On-site Facilities will be funded by subdivision builders through Line Extension Agreement Advances with 5% refunds for 20 years. The proposed forms are attached to the Application as Tabs F and G respectively.

Q. Estimated starting and completion dates of construction of utility facilities:

Starting date **Phase One, Second Quarter 2006** Completion **Fourth Quarter 2007**

R. Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form.
Please see Attachment 3, Schedules ACC Attachment D hereto (waster and wastewater), and Tab E to the Application.

S. Attach the following permits:

1. The franchise from either the City or County for the area requested.
   To be filed as late filed Attachment 4.
2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.
   To be filed as late filed Attachment 5.
3. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

N/A

4. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)
   N/A

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

   The Company's Application for a Designation of Assured Water Supply will be filed with ADWR within approximately 30 days of this Application. That Application will be late filed as Attachment 6. The granting of the Designation is anticipated to be issued approximately 10 months thereafter

   - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.

   - If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

6. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.
   Please see Schedules 2b (water and wastewater) to Attachment 3.

T. Provide the following information: **Please see Schedules 2a (water and wastewater) to Attachment 3.**

1. Indicate the estimated number of customers, by class, to be served in each of the first five years of operation:

   Residential:

   First Year_____ Second Year_____ Third Year_____ Fourth Year_____

   Fifth Year_____

   Commercial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

2. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____ Fourth Year_____

Fifth Year_____

3. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____
Fourth Year_____ Fifth Year_____

4. Indicate the total estimated annual operating expenses for each of the first five years of operation:
Residential:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Commercial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Industrial:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

Irrigation:

First Year_____ Second Year_____ Third Year_____

Fourth Year_____ Fifth Year_____

5. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).
   Please see Attachment 3, Schedules 1.1 (water and wastewater).

6. Indicate the total estimated cost to construct utility facilities:

   Please see Attachment 3, Schedules 1.1 (water and wastewater).

U. **The form of notice to be mailed the property owners within the proposed service area is attached as Attachment 7 hereto. An Affidavit of Mailing will be late filed upon completion.**

Dated this 5th day of December, 2005.

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

By:_____

Richard L. Sallquist
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, AZ 85282
Attorneys for Willow Springs Utilities, L.L.C.

ATTACHMENTS

1. Legal Description for Requested Water Area and Sewer Area
2. Maps of Requested Water and Sewer Area
3. Pro forma Financial Statements and Supporting Schedules
4. Pinal County Franchise (late filed)
5. ADEQ Approval to Construct (late filed)
6. ADWR Designation of Assured Water Supply (late filed)
7. Notice to Property Owners

Wood, Patel & Associates, Inc.
(480) 834-3300
www.woodpatel.com

PARCEL DESCRIPTION
Willow Springs
Proposed South Village

Parcel No. 1:

The Southeast quarter of the Northwest quarter of Section 8, Township 8 South, Range 13 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all gas, oil, metals and mineral rights as reserved by the State of Arizona in the patent to said land; and

EXCEPT an undivided 3/4th interest in all oil, gas and mineral rights as reserved in document recorded in Docket 556, Page 352.

Parcel No. 2:

The East half of Section 8 AND the South half of Section 9, BOTH in Township 8 South, Range 13 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land.

Parcel No. 3:

The Southwest quarter AND the South half of the Southeast quarter of Section 14, Township 8 South, Range 13 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land.

Parcel No. 4:

The West half of the Southeast quarter AND the East half of the Southwest quarter of Section 15, Township 8 South, Range 13 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land.

ATTACHMENT 1

Parcel No. 5:

All of Sections 22, 23, 25, 27 and the North half of Section 26, ALL in Township 8 South, Range 13 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land, as to all except the Northwest quarter of the Northeast quarter AND the Southeast quarter of the Northwest quarter of said Section 23.

Parcel No. 6:

The West half of Section 20, Township 8 South, Range 14 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land.

Parcel No. 7:

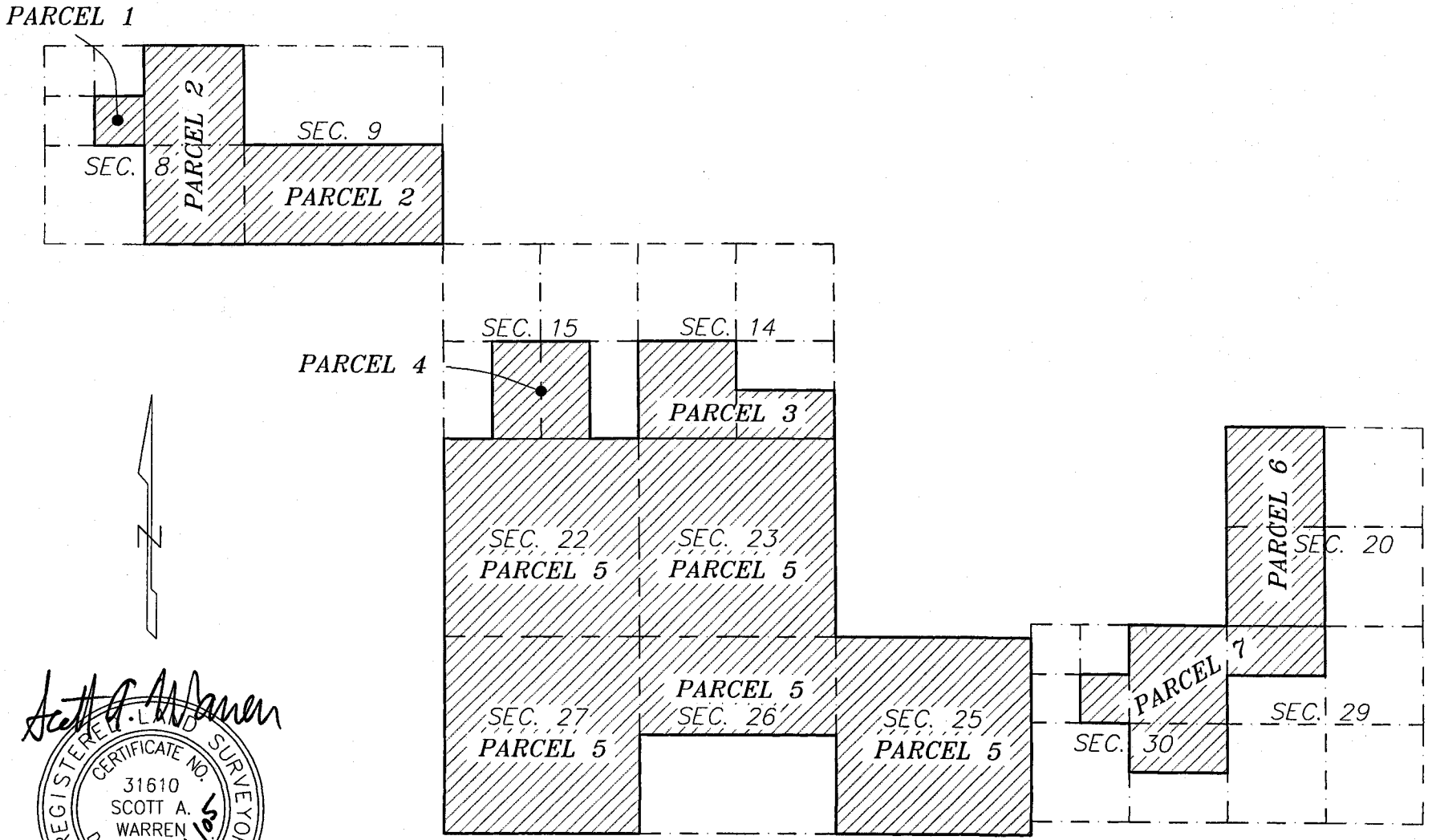
The North half of the Northwest quarter of Section 29 AND the Southeast quarter of the Northwest quarter and the North half of the Southeast quarter and the Northeast quarter of Section 30, ALL of Township 8 South, Range 14 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT all the coal and other minerals as reserved by the United States of America in the patent to said land, as to the North half of the Northwest quarter of said Section 29 AND the North half of the Southeast quarter and the Northeast quarter of said Section 30.

Containing 4,640.4685 acres, or 202,138,807 square feet of land, more or less.

Subject to existing rights-of-way and easements.

This parcel description is based on the ALTA Survey recorded in Survey Book 7, page 297, Pinal County Records and other client provided information. This parcel description is located within an area surveyed by Wood, Patel & Associates, Inc. during the month of April, 2005 and any monumentation noted in this parcel description is within acceptable tolerance (as defined in Arizona Boundary Survey Minimum Standards dated 02/14/2002) of said positions based on said survey.



REGISTERED LAND SURVEYOR
CERTIFICATE NO.
31610
SCOTT A.
WARREN
Date Signed 11/1/05
ARIZONA, U.S.A.

WOOD/PATEL
1855 North Stapley Drive
Mesa, AZ 85203
Phone: (480) 834-3300
Fax: (480) 834-3320

EXHIBIT "A"

WILLOW SPRINGS
PROPOSED SOUTH VILLAGE
11-01-05
WP#052340.01
PAGE 3 OF 3
NOT TO SCALE
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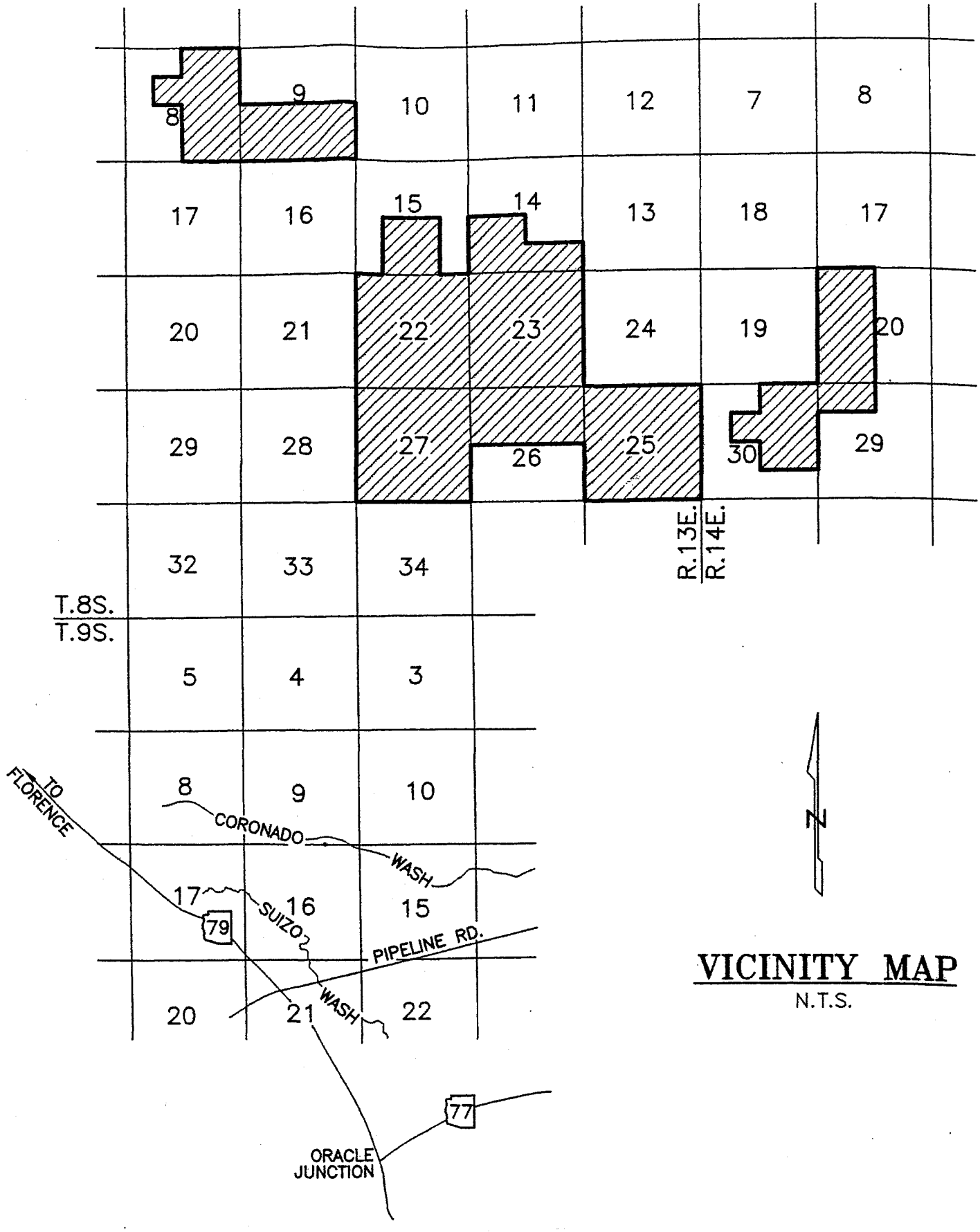
2340L03-DB\DWG\2340L03.DWG



VICINITY MAP

N.T.S.

ATTACHMENT 2

FINANCIAL STATEMENTS AND SUPPORTING DOCUMENTS WATER AND SEWER DIVISIONS

ATTACHMENT 3

Willow Springs Water Company
Index of Schedules

ACC Forms	Number of Page	Page Number	
	2 Pages	1 & 2	Balance Sheet, Attachment C
	1 Page	Unnumbered	Income Statement, Attachment CS-2
	5 Pages	1 thru 5	Plant Cost, Attachment CS-4
	1 Page	Unnumbered	Tariff Attachment D

Schedules for Staff	Page(s)		
1	1	1	Balance Sheet
1.1	Summary	1.1	Summary of Plant Additions by Year
1a	5 Pages	1 thru 5	Plant and Depreciation, 5 Pages
1b	1 Page	1	Financing of Plant & Operating Losses
1c	1 Page	1	Advances and Refunds
1d	1 Page	1	Meter Deposits and Refunds (If Applicable)
1e	1 Page	1	Contributions in Aid of Construction (Not Used)
2	1 Page	1	Income Statement
2a	1 Page	1	Projected Revenues all customers
2a	1 Page	2	Customer Counts all customers
2a	1 Page	3	Gallons Treated or Sold, all customers
2a	1 Page	4	Projected Revenues, customers, gallons for 5/8 Inch residential class
2a	1 Page	5	Projected Revenues, customers, gallons for School
2a	1 Page	6	Projected Revenues, customers, gallons 5/8 Inch commercial class
2a	1 Page	7	Projected Revenues, customers, gallons 1 Inch commercial class
2a	1 Page	8	Projected Revenues, customers, gallons 2 Inch commercial class
2a	1 Page	9	Effluent, (If Applicable)
2b	1 Page	1	Property Taxes
3	1 Page	1	Projected Cash Flow
1	1 Page	1	Proposed Rates
1	1 Page	1	Service Charges

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Willow Springs Water Company

	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS					
Current Assets					
Cash	$ 36,236	$ 160,411	$ 256,678	$ 441,243	$ 705,225
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	$ 36,236	$ 160,411	$ 256,678	$ 441,243	$ 705,225
Fixed Assets					
Utility Plant	$ 6,022,050	$ 6,820,750	$ 7,971,250	$ 9,153,250	$ 10,380,250
(Less) Accumulated Depreciation	(76,660)	(286,818)	(520,617)	(782,494)	(1,073,215)
Net Plant in Service	$ 5,945,390	$ 6,533,932	$ 7,450,633	$ 8,370,756	$ 9,307,035
Total Assets	$ 5,981,626	$ 6,694,343	$ 7,707,311	$ 8,811,999	$ 10,012,261
LIABILITIES AND CAPITAL					
Current and Accrued Liabilities					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current and Accred Liabilities	0	0	0	0	0

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Willow Springs Water Company

	Year 1	Year 2	Year 3	Year 4	Year 5
Long-Term Debt	0	0	0	0	0
Deferred Credits					
Advances in Aid of Construction	$ 115,800	$ 1,045,673	$ 2,175,842	$ 3,301,788	$ 4,428,216
Contribution in Aid of Construction, Net of Amortization					
Accumulated Deferred Income Tax	-	-	-	-	-
Total Deferred Credits	$ 115,800	$ 1,045,673	$ 2,175,842	$ 3,301,788	$ 4,428,216
CAPITAL ACCOUNT					
Common Stock	6,006,250	6,006,250	6,006,250	6,006,250	6,006,250
Preferred	0	0	0	0	0
Paid in Capital	0	0	0	0	0
Retained Earnings	(140,424)	(357,580)	(474,785)	(496,042)	(422,209)
Total Capital	$ 5,865,826	$ 5,648,670	$ 5,531,465	$ 5,510,208	$ 5,584,041
TOTAL LIABILITIES AND CAPITAL	$ 5,981,626	$ 6,694,343	$ 7,707,307	$ 8,811,996	$ 10,012,257

CW-2

PROFORMA INCOME STATEMENT (WATER)

Willow Springs Water Company

	YR. ONE	YR. TWO	YR. THREE	YR. FOUR	YR. FIVE
REVENUE:					
Water Sales	$ 136,299	$ 257,709	$ 486,806	$ 719,637	$ 955,676
Establishment Charges	-	-	-	-	-
Other Operating Revenue					
Total Operating Revenue	$ 136,299	$ 257,709	$ 486,806	$ 719,637	$ 955,676
OPERATING EXPENSES					
Salaries and Wages	$ 68,500	$ 70,555	$ 72,672	$ 74,852	$ 77,097
Purchased Water					
Power Costs	37,470	41,200	48,562	56,089	65,486
Water Testing and Chemicals	6,255	11,300	16,430	21,630	26,930
Repairs and Maintenance	2,000	6,000	9,000	12,000	15,000
Office Supplies Expense	8,900	47,780	115,208	183,026	251,156
Outside Services	50,900	59,600	74,901	90,304	105,793
Rents	3,000	3,090	3,183	3,278	3,377
Transportation Expense	2,500	2,575	2,652	2,732	2,814
Taxes Other than Property and Income					
Depreciation	76,660	210,158	233,798	261,877	290,721
Health and Life Insurance					
Income Taxes	50	50	50	50	50
Property Tax	7,463	9,823	16,593	27,134	39,433
Miscellaneous Operating	13,400	13,652	13,912	14,179	14,454
Total Operating Expense	$ 277,098	$ 475,783	$ 606,960	$ 747,151	$ 892,311
OPERATING INCOME OR (LOSS)	$ (140,799)	$ (218,074)	$ (120,155)	$ (27,514)	$ 63,364
OTHER INCOME / EXPENSE					
Interest Income	375	919	2,950	6,256	10,469
Other Income					
Other Expenses					
Interest Expense					
TOTAL OTHER INCOME / EXPENSE	375	919	2,950	6,256	10,469
NET INCOME (LOSS)	$ (140,424)	$ (217,156)	$ (117,205)	$ (21,257)	$ 73,833

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR
Willow Springs Water Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	25,391	1,499,609
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	31,250	468,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	15,609	1,390,641
Transmission and Distribution	91,800	918	90,882
Transmission and Distribution (AIAC)	2,425,000	455	2,424,545
Services	18,500	308	18,192
Meters and Meter Installations	5,500	229	5,271
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 6,022,050	$ 76,660	$ 5,945,390

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
SECOND YEAR
Willow Springs Water Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	76,174	1,448,826
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	93,750	406,250
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	46,828	1,359,422
Transmission and Distribution	828,000	10,116	817,884
Transmission and Distribution (AIAC)	2,425,000	48,955	2,376,045
Services	37,000	976	36,024
Meters and Meter Installations	49,500	2,520	46,980
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	7,500	17,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 6,820,750	$ 286,818	$ 6,533,932

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
THIRD YEAR
Willow Springs Water Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	126,956	1,398,044
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	156,250	343,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	78,047	1,328,203
Transmission and Distribution	1,786,500	36,261	1,750,239
Transmission and Distribution (AIAC)	2,425,000	97,455	2,327,545
Services	185,000	4,672	180,328
Meters and Meter Installations	93,500	8,476	85,024
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	12,500	12,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 7,971,250	$ 520,617	$ 7,450,633

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FOURTH YEAR
Willow Springs Water Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	177,739	1,347,261
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	218,750	281,250
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	109,266	1,296,984
Transmission and Distribution	2,776,500	81,891	2,694,609
Transmission and Distribution (AIAC)	2,425,000	145,955	2,279,045
Services	333,000	13,297	319,703
Meters and Meter Installations	137,500	18,097	119,403
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	17,500	7,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 9,153,250	$ 782,494	$ 8,370,756

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIFTH YEAR
Willow Springs Water Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	228,521	1,296,479
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	281,250	218,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	140,484	1,265,766
Transmission and Distribution	3,811,500	147,771	3,663,729
Transmission and Distribution (AIAC)	2,425,000	194,455	2,230,545
Services	481,000	26,850	454,150
Meters and Meter Installations	181,500	31,383	150,117
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	22,500	2,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-		-
TOTAL PLANT IN SERVICE	$ 10,380,250	$ 1,073,215	$ 9,307,035

ATTACHMENT D
WATER TARIFF SCHEDULE

UTILITY: Willow Springs Water Company

RATES AND CHARGES

CUSTOMER / MINIMUM CHARGE
PER MONTH

METER	CHARGE	METER	CHARGE
5/8 x 3/4	$ 28.00	5/8 x 3/4	$ 480.00
3/4	$ 28.00	3/4	$ 560.00
1	$ 70.00	1	$ 650.00
1 1/2	$ 140.00	1 1/2	$ 895.00
2	$ 224.00	2	$ 2,280.00
3	$ 448.00	3	$ 3,070.00
4	$ 700.00	4	$ 4,395.00
6	$ 1,400.00	6	$ 7,970.00
8	$ 2,240.00	8	Cost
10	$ 3,220.00	10	Cost
12	$ 6,020.00	12	Cost

COMMODITY CHARGE (EXCESS OF MINIMUM):

COMMODITY RATES / ALL METERS
BELOW 3" SIZE

Usage From	Usage To	
-	4,000	$ 2.50
4,001	9,000	$ 3.50
9,001	Infinity	$ 4.50

Usage **From**	Usage To	
-	10,000	$ 2.50
10,001	22,500	$ 3.50
22,501	Infinity	$ 4.50

Usage From	Usage To	
-	20,000	$ 2.50
20,001	45,000	$ 3.50
45,001	Infinity	$ 4.50

Usage **From**	Usage To	
-	32,000	$ 2.50
32,001	72,000	$ 3.50
72,001	Infinity	$ 4.50

COMMODITY RATES / SCHOOL

Usage From	Usage To	
-	100,000	$ 2.50
100,001	500,000	$ 3.50
500,001	Infinity	$ 4.50

UTILITY: Willow Springs Water Company

RATES AND CHARGES

COMMODITY CHARGE (EXCESS OF MINIMUM):

Usage From	Usage To	3 Inch Meters	
-	7,000	$	2.50
7,001	144,000	$	3.50
144,001	Infinity	$	4.50
-	-		
Usage From	Usage To	4 Inch Meters	
-	7,000	$	2.50
7,001	225,000	$	3.50
225,001	Infinity	$	4.50
-	-		
Usage From	Usage To	6 Inch Meters	
-	7,000	$	2.50
7,001	450,000	$	3.50
450,001	Infinity	$	4.50

Larger Meters have higher breakover points, but the same Rates

Irrigation Water Sales to Sewer Utility (No other customer qualifies for this tariff) $ 1.50

Construction Water $ 3.00

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1) $ 30.00
2. ESTABLISHMENT / AFTER HOUR $ 50.00
3. RECONNECTION / DELINQUENT $ 50.00
4. NSF CHECK (R14-2-409.F.1) $ 30.00
5. METER REREAD / IF CORRECT (F $ 30.00
6. METER TEST / IF CORRECT (R14 $ 30.00
7. DEFERRED PAYMENT (R14-2-409 1.50% Per Month
8. DEPOSIT INTEREST (R14-2-408.B.3)
9. DEPOSIT (R14-2-403.B.7) per rule
10. REESTABLISHMENT WITHIN 12 M (a)
11. LATE PAYMENT PENALTY (R14-2 1.50% Per Month
12. All Revenue related taxes will be charged customers.

Main Extension and additional facili @ COST (b)

RULES AND REGULATIONS

* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

Willow Springs Utility Company
Index of Schedules

ACC Forms	Number of Page	Page Number	
	2 Pages	1 & 2	Balance Sheet, Attachment C
	1 Page	Unnumbered	Income Statement, Attachment CS-2
	5 Pages	1 thru 5	Plant Cost, Attachment CS-4
	1 Page	Unnumbered	Tariff Attachment D
Schedules for Staff	Page(s)		
1	1	1	Balance Sheet
1.1	Summary	1.1	Summary of Plant Additions by Year
1a	5 Pages	1 thru 5	Plant and Depreciation, 5 Pages
1b	1 Page	1	Financing of Plant & Operating Losses
1c	1 Page	1	Advances and Refunds
1d	1 Page	1	Meter Deposits and Refunds (If Applicable)
1e	1 Page	1	Contributions in Aid of Construction (Not Used)
2	1 Page	1	Income Statement
2a	1 Page	1	Projected Revenues all customers
2a	1 Page	2	Customer Counts all customers
2a	1 Page	3	Gallons Treated or Sold, all customers
2a	1 Page	4	Projected Revenues, customers, gallons for 5/8 Inch residential class
2a	1 Page	5	Projected Revenues, customers, gallons for School
2a	1 Page	6	Projected Revenues, customers, gallons 5/8 Inch commercial class
2a	1 Page	7	Projected Revenues, customers, gallons 1 Inch commercial class
2a	1 Page	8	Projected Revenues, customers, gallons 2 Inch commercial class
2a	1 Page	9	Effluent, (If Applicable)
2b	1 Page	1	Property Taxes
3	1 Page	1	Projected Cash Flow
1	1 Page	1	Proposed Rates
1	1 Page	1	Service Charges

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Revised

Willow Springs Utility Company

	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS					
Current Assets					
Cash	$ 243,131	$ 245,116	$ 967,677	$ 1,883,608	$ 3,036,073
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	$ 243,131	$ 245,116	$ 967,677	$ 1,883,608	$ 3,036,073
Fixed Assets					
Utility Plant	$ 7,945,938	$ 10,386,625	$ 11,225,625	$ 12,085,625	$ 12,975,625
(Less) Accumulated Depreciation	(24,204)	(176,322)	(443,195)	(795,808)	(1,237,797)
Net Plant in Service	$ 7,921,733	$ 10,210,303	$ 10,782,430	$ 11,289,817	$ 11,737,828
Total Assets	$ 8,164,864	$ 10,455,419	$ 11,750,106	$ 13,173,424	$ 14,773,901
LIABILITIES AND CAPITAL					
Current and Accrued Liabilities					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current and Accred Liabilities	0	0	0	0	0

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Willow Springs Utility Company

	Year 1	Year 2	Year 3	Year 4	Year 5
Long-Term Debt	0	0	0	0	0
Deferred Credits					
Advances in Aid of Construction	$ 125,000	$ 1,149,145	$ 2,183,074	$ 3,198,999	$ 4,201,320
Contribution in Aid of Construction, Net of Amortization					
Accumulated Deferred Income Tax	123,750	344,000	591,925	814,900	1,045,500
Total Deferred Credits	$ 248,750	$ 1,493,145	$ 2,774,999	$ 4,013,899	$ 5,246,820
CAPITAL ACCOUNT					
Common Stock	8,100,000	9,290,688	9,290,688	9,290,688	9,290,688
Preferred	0	0	0	0	0
Paid in Capital	0	0	0	0	0
Retained Earnings	(183,886)	(328,413)	(315,580)	(131,162)	236,394
Total Capital	$ 7,916,114	$ 8,962,274	$ 8,975,107	$ 9,159,525	$ 9,527,081
TOTAL LIABILITIES AND CAPITAL	$ 8,164,864	$ 10,455,419	$ 11,750,106	$ 13,173,424	$ 14,773,901
Differences					$ -

CW-2

PROFORMA INCOME STATEMENT (WATER)

Willow Springs Utility Company

	YR. ONE	YR. TWO	YR. THREE	YR. FOUR	YR. FIVE
REVENUES:					
Revenues from Wastewater Treatment	$ 17,100	$ 171,420	$ 431,496	$ 692,922	$ 953,592
Establishment Fees	1,500	12,300	12,480	12,450	12,600
Effluent	101,212	101,182	101,182	101,182	101,182
Total Revenues	$ 119,812	$ 284,902	$ 545,158	$ 806,554	$ 1,067,374
EXPENSES:					
Pumping Power - All	$ 37,659	$ 43,254	$ 54,297	$ 65,587	$ 76,383
Wages	50,000	51,500	53,045	54,636	56,275
Payroll Burden	16,500	16,995	17,505	18,030	18,571
Purchased Water at $1.50 per 1,000 gallons	121,749	103,097	66,287	28,656	-
Permits (Not Caplitalized to Plant)	5,000	5,000	5,000	5,000	5,000
Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Enginnering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Chemicals	6,000	9,000	12,000	15,000	18,000
Supplies	4,000	5,000	6,000	7,000	8,000
Repairs	2,000	6,000	9,000	12,000	15,000
Insurance	4,000	4,120	4,244	4,371	4,502
Office Expense	1,000	3,000	5,000	7,000	9,000
Billing, Postage, Operations	-	-	-	-	-
Contract Labor	2,000	2,060	2,122	2,185	2,251
Administrative Services	-	-	-	19,521	27,036
Rentals	3,000	3,090	3,183	3,278	3,377
Depreciation net of Amortization of CIAC	22,954	147,368	257,298	338,088	422,588
Vehicles	2,500	2,575	2,652	2,732	2,814
Legal & Accounting	12,000	12,360	12,731	13,113	13,506
Miscellenous Expenses	2,400	2,472	2,546	2,623	2,701
Testing	255	2,300	4,430	6,630	8,930
Income Taxes	50	50	50	50	50
Property Taxes	7,006	10,090	18,016	30,458	44,101
Total Expense	$ 304,074	$ 433,451	$ 539,649	$ 640,328	$ 742,588
Operating income (loss)	$ (184,261)	$ (148,549)	$ 5,509	$ 166,226	$ 324,787
Less:					
Interest (Expense)Income on Cash Balance	375	4,022	7,324	18,192	42,769
Interest Expense Long-term Debt					
Net Income	$ (183,886)	$ (144,527)	$ 12,833	$ 184,418	$ 367,556

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR
Willow Springs Utility Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	-	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	1,158,438	11,584	1,146,853
Special Collecting Structures	-	-	-
Services to customers - Residential	25,000	250	24,750
Services to customers - None Residential	-	-	-
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services '	-	-	-
Reuse Meters and Meter Install	-	-	-
Receiving Wells	-	-	-
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	457,500	5,719	451,781
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	6,250,000	3,984	6,246,016
Plant Sewers	-	-	-
Outfall Sewer Lines	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	5,000	167	4,833
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
	$ 7,945,938	$ 24,204	$ 7,921,733

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
SECOND YEAR
Willow Springs Utility Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,771,938	40,888	1,731,049
Infiltration Galleries and Tun	468,750	4,688	464,063
Supply Mains	225,000	2,750	222,250
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	15,625	234,375
Meters and Meter Installations	457,500	17,156	440,344
Hydrants	908,438	11,355	897,082
Hydrants (AIAC)	6,250,000	75,859	6,174,141
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	500	4,500
Stores Equipment	25,000	7,500	17,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 10,386,625	$ 176,322	$ 10,210,303

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
THIRD YEAR
Willow Springs Utility Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	2,410,938	82,717	2,328,221
Infiltration Galleries and Tun	468,750	14,063	454,688
Supply Mains	425,000	9,250	415,750
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	46,875	203,125
Meters and Meter Installations	457,500	28,594	428,906
Hydrants	908,438	34,066	874,371
Hydrants (AIAC)	6,250,000	214,297	6,035,703
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	834	4,166
Stores Equipment	25,000	12,500	12,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 11,225,625	$ 443,195	$ 10,782,430

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FOURTH YEAR
Willow Springs Utility Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	3,070,938	137,536	2,933,402
Infiltration Galleries and Tun	468,750	23,438	445,313
Supply Mains	625,000	19,750	605,250
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	78,125	171,875
Meters and Meter Installations	457,500	40,031	417,469
Hydrants	908,438	56,777	851,660
Hydrants (AIAC)	6,250,000	421,484	5,828,516
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	1,167	3,833
Stores Equipment	25,000	17,500	7,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 12,085,625	$ 795,808	$ 11,289,817

CW-3
PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIFTH YEAR
Willow Springs Utility Company

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	$ 25,000	$ -	$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	3,760,938	205,854	3,555,083
Infiltration Galleries and Tun	468,750	32,813	435,938
Supply Mains	825,000	34,250	790,750
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	109,375	140,625
Meters and Meter Installations	457,500	51,469	406,031
Hydrants	908,438	79,488	828,949
Hydrants (AIAC)	6,250,000	700,547	5,549,453
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	1,501	3,499
Stores Equipment	25,000	22,500	2,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	$ 12,975,625	$ 1,237,797	$ 11,737,828

ATTACHMENT "D"
WASTEWATER TARIFF SCHEDULE

UTILITY: Willow Springs Utility Company

RATES AND CHARGES

CUSTOMER / MINIMUM CHARGE
PER MONTH

METER	CHARGE		GALLONS
5/8 x 3/4	$ 52.00	FOR	ZERO
3/4	$ 52.00	FOR	ZERO
1	$ 130.00	FOR	ZERO
1 1/2	$ 260.00	FOR	ZERO
2	$ 416.00	FOR	ZERO
3	$ 832.00	FOR	ZERO
4	$ 1,300.00	FOR	ZERO
6	$ 2,600.00	FOR	ZERO
8	$ 4,160.00	FOR	ZERO
10	$ 5,980.00	FOR	ZERO
12	$ 11,180.00	FOR	ZERO

METER	Hook-up Fee
5/8 x 3/4	$ 2,500.00
3/4	$ 3,750.00
1	$ 6,250.00
1 1/2	$ 6,250.00
2	$ 20,000.00
3	$ 40,000.00
4	$ 62,500.00
6	$ 125,000.00

Effluent (Per 1,000 gallons) $ 1.38
(Per Acre Foot) $ 449.67

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1)	$ 30.00	
2. ESTABLISHMENT / AFTER HOURS (R14-2-403.D.2)	$ 50.00	
3. RECONNECTION / DELINQUENT (R14-2-403.D.1)	$ 50.00	
4. NSF CHECK (R14-2-409.F.1)	$ 30.00	
5. METER REREAD / IF CORRECT (R-14-408.C.2)	$ 30.00	
6. METER TEST / IF CORRECT (R14-2-408.F.1)	$ 30.00	
7. DEFERRED PAYMENT (R14-2-409.G.6)	1.50%	Per Month
8. DEPOSIT INTEREST (R14-2-408.B.3)		
9. DEPOSIT (R14-2-403.B.7)		per rule
10. REESTABLISHMENT WITHIN 12 MONTHS (R14-2-608.F.1)	(a)	
11. LATE PAYMENT PENALTY (R14-2-408.F.1)	1.50%	Per Month
12. All Revenue related taxes will be charged customers.		
Main Extension and additional facilities agreements,	@ COST	(b)

RULES AND REGULATIONS

* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

LENNAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
November 30, 2004 and 2003

	2004	2003
	(In thousands, except per share amounts)	
ASSETS		
Homebuilding:		
Cash	$1,322,472	1,201,276
Receivables, net	153,285	60,392
Inventories:		
Finished homes and construction in progress	3,140,520	2,006,548
Land under development	1,725,755	1,600,224
Consolidated inventory not owned	275,795	49,329
Total inventories	5,142,070	3,656,101
Investments in unconsolidated entities	856,422	390,334
Other assets	432,574	450,619
	7,906,823	5,758,722
Financial services	1,258,457	1,016,710
Total assets	$9,165,280	6,775,432
LIABILITIES AND STOCKHOLDERS' EQUITY		
Homebuilding:		
Accounts payable and other liabilities	$1,830,047	1,040,961
Liabilities related to consolidated inventory not owned	222,769	45,214
Senior notes and other debts payable	2,021,014	1,552,217
	4,073,830	2,638,392
Financial services	1,038,478	873,266
Total liabilities	5,112,308	3,511,658
Stockholders' equity:		
Preferred stock	—	—
Class A common stock of $0.10 par value per share (1) Authorized: 2004 and 2003-300,000 shares Issued: 2004-123,722 shares; 2003-125,328 shares	12,372	12,533
Class B common stock of $0.10 par value per share (1) Authorized: 2004 and 2003-90,000 shares Issued: 2004-32,598 shares; 2003-32,508 shares	3,260	3,251
Additional paid-in capital (1)	1,277,780	1,358,304
Retained earnings	2,780,637	1,914,963
Unearned compensation	(2,564)	(4,301)
Deferred compensation plan (1)–2004-695 Class A common shares and 70 Class B common shares; 2003-534 Class A common shares and 53 Class B common shares	(6,410)	(4,919)
Deferred compensation liability	6,410	4,919
Treasury stock, at cost; 2004-90 Class A common shares	(3,938)	—
Accumulated other comprehensive loss	(14,575)	(20,976)
Total stockholders' equity	4,052,972	3,263,774
Total liabilities and stockholders' equity	$9,165,280	6,775,432

(1) Class A common stock, Class B common stock, additional paid-in capital, and all share information (except authorized shares, treasury shares and par value) have been retroactively adjusted to reflect the effect of the Company's January 2004 two-for-one stock split. See Note 12.

See accompanying notes to consolidated financial statements.

LENNAR CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
Years Ended November 30, 2004, 2003 and 2002

	2004	2003	2002
	(In thousands, except per share amounts)		
Revenues:			
Homebuilding	$10,000,632	8,348,645	6,751,301
Financial services	504,267	558,974	484,219
Total revenues	10,504,899	8,907,619	7,235,520
Costs and expenses:			
Homebuilding	8,601,338	7,288,356	5,993,209
Financial services	391,966	404,521	356,608
Corporate general and administrative	141,722	111,488	85,958
Total costs and expenses	9,135,026	7,804,365	6,435,775
Equity in earnings from unconsolidated entities	90,739	81,937	42,651
Management fees and other income, net	58,455	21,863	33,313
Earnings before provision for income taxes	1,519,067	1,207,054	875,709
Provision for income taxes	573,448	455,663	330,580
Net earnings	$ 945,619	751,391	545,129
Earnings per share (1):			
Basic	$ 6.09	5.10	3.88
Diluted	$ 5.70	4.65	3.51

(1) Earnings per share amounts have been retroactively adjusted to reflect the effect of the Company's April 2003 10% Class B stock distribution and January 2004 two-for-one stock split. See Notes 10 and 12.

See accompanying notes to consolidated financial statements.

DIRECT TESTIMONY OF

RONALD L. KOZOMAN

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. Ronald L. Kozoman, 1605 W. Mulberry Drive, Phoenix, Arizona 85015.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am self employed and provide consulting services to utility companies.

Q. HAVE YOU PREPARED A RESUME OF YOUR PROFESSIONAL EDUCATIONAL AND WORK EXPERIENCE?

A. Yes. A copy is on file with the Arizona Corporation Commission, Docket Control Division.

Q. COULD YOU BRIEFLY SUMMARIZE YOUR PRIOR REGULATORY EXPERIENCE?

A. Yes. I was employed by the Illinois Commerce Commission ("ICC") from 1977 to 1981 in various accounting and management positions. While with the ICC, I testified as the ICC Staff's expert witness on cost of capital, rate base and operating income in rate cases involving Commonwealth Edison Company, Illinois Bell Telephone, and other major Illinois utility companies.

I was first retained by the Arizona Corporation Commission ("Commission" or "ACC") in 1981 as a consultant to prepare Commission Staff's cost of capital testimony for the Southwest Gas Corporation and Southern Union Gas Company rate cases. I later became Chief Rate Analyst for the Commission. As Chief Rate Analyst, I was responsible for supervising all of the Commission's rate analysts and utility auditors. While with the Commission, I testified on cost of capital concerning Sun City West Utilities, Continental Telephone Company of California, and Mountain Bell Telephone (now Qwest), among others.

I have also testified as an independent consultant, on behalf of utility companies, utility consumers, and regulatory agencies. I am also an instructor in the areas of public utility accounting and general regulatory practices for the National Association of Regulatory Utility Commissioners at its Annual Regulatory Studies Program, held at Michigan State University in East Lansing, Michigan. In prior years I taught Revenue Requirements accounting, Cost of Service Study and Rate Design, and Regulatory Accounting Methods And Applications under changing Regulatory and Market Conditions.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of Willow Springs Water and Willow Springs Utility Companies.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will testify for the Application of a Certificate of Convenience and Necessity ("CC&N"), the plant values, and the requested rates.

Q. How were the plant values developed?

A. The engineering firm of Westland Resources provided the backbone plant. For the transmission and distribution line within each parcel, I used the values shown for an 8 inch main provided by Westland Resources. I assume a 60 foot lot for each customer. For the meters and installation lines, I used the values set forth by Marlin Scott Jr. of the Arizona Corporation Commission Staff.

The transmission and distribution lines were provided by the developers and are the subject of an Advance in Aid of Construction ("AIAC"). The repayment agreement is based on 10% of water revenues per year, until the AIAC is fully repaid.

For the sewer utility, I also assumed a value of $1,500 per customer for the collection mains, based on values for such assets as experienced over the years.

These assets are financed by developers and are subject to refund under an AIAC agreement. The AIAC are fully refundable. The services to customers are financed by a Contribution in Aid of Construction ("CIAC"). No depreciation was taken on the plant financed with CIAC's.

Q. HOW DID YOU DETERMINE THE EXPENSES FOR THE WATER AND WASTEWATER UTILITIES?

A. The expenses were based on average expenses for the various water and wastewater utilities to which I provide services. I assumed certain economies of scale from offering both water and wastewater services. Much of the expenses would change if the Company were only providing wastewater services.

Q. HOW WERE THE PROPERTY TAX COMPUTED?

A. I used the method used by the Arizona Department of Revenue. That is, I used the average of three years of revenue times two, assessed that value at 24.50% (the property tax assessment ration declines 1 / 2 of 1.00% per year starting in 2006) and applied the Statewide property tax rate to that value. For the first year, I used the first's year's revenues times three. In the second year, I used the first's year's revenues time two, and added the second year of revenue to the equation. The assessment ratio continues to decline by 0.5% per years to 22.5%.

Q. ARE YOU REQUESTING SPECIAL DEPRECIATION ON THE WASTEWATER TREATMENT PLANT, BASED ON CAPACITY USED?

A. Yes. The depreciation rates on the high dollar investments for water and wastewater will be depreciated based on number of customers being served divided by the number of potential customers. This has two impacts. The first is that the rates for initial year actually recover the depreciation expense, and the second being that the utility plant is not depreciated away without recovery.

Q. WHAT RATES ARE YOU PROPOSING FOR THE WATER UTILITY?

A.

5/8 x 3/4	$28.00	0
3/4	$28.00	0
1	$70.00	0
1 1/2	$140.00	0
2	$224.00	0
3	$448.00	0
4	$700.00	0
6	$1,400.00	0

Larger meters are shown on Schedule 4.

The commodity charge per 1,000 gallons is $2.50 per 1,000 gallons for usage up to 4,000 gallons for the 5/8 inch meter. Larger meters have more gallons in the first tier. The gallons included in the first tier are based on meter flows, ratioed on the 5/8 inch meters. The second tier rate is $3.50 per 1,000. The second tier rate varies as to usage, based on meter size. The third tier rate is $4.50 per 1,000 gallons. The third tier rate as applied to gallons used also varies based on meter size.

The Wastewater Utility will not generate enough effluent to keep the golf course watered in it first four years of operation. To assist the Wastewater Utility, I am proposing a special tariff for water sales to the Wastewater Utility. The charge will be $1.50 per 1,000 gallons or approximately $488 per acre foot. By year five the Wastewater Utility will generate enough effluent to provide the necessary irrigation water.

Q. WILL THE WATER UTILITY BE ABLE TO SELL THE WATER AT $1.50 PER 1,000 GALLONS AT A PROFIT?

A. Yes the water will be sold at a profit. Additionally, it is considerably less expensive to install a transmission line to the Wastewater Utility, which will allow the mixing of the fresh water and effluent prior to delivery. If separate water lines and effluent lines had to be installed to provide irrigation water to the golf course and all green belts area, the plant investment would be quite high. Furthermore, the water transmission lines would not be required after year four, which would result in substantial depreciation if these line costs had to be recovered in a four year period.

Q. IS THE COMPANY REQUESTING ANY SPECIAL TARIFFS?

A. THE COMPANY IS ALSO REQUESTING TO COLLECT INCOME TAX ON SERVICE LINES AND METER INSTALLATIONS TO SINGLE CUSTOMERS FROM THE LINE AND METER INSTALLATION CHARGE. AS THESE CHARGES WERE DETERMINED TO BE TAXABLE INCOME AFTER JUNE 1996. THE TAXES WILL BE COLLECTED AND THEN REFUNDED BACK TO CUSTOMERS UNDER

A CLAIM OF RIGHT DOCTORINE UNDER THE INTERNAL REVENUE CODE.

Q. WHAT RATES ARE YOU PROPOSING FOR THE SEWER OR WASTEWATER UTILITY?

A. The rates charged customers on the wastewater utility are based on meter size.

5/8 x 3/4	$52.00	
3/4	$52.00	
1	$130.00	
1 1/2	$260.00	
2	$413.00	
3	$832.00	
4	$1,300.00	
6	$2,600.00	

Q. WHY SHOULD WILLOW SPRINGS BE AUTHORIZED CC&N'S FOR BOTH WATER AND WASTEWATER?

A. The combined utility will have more financial strength due to shared employees, billing, accounting, operating data, etc.

Q. DOES THAT CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

PUBLIC NOTICE OF AN APPLICATION
FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
BY WILLOW SPRINGS UTILITIES, L.L.C.

Willow Springs Utilities, L.L.C. has filed with the Arizona Corporation Commission ("Commission") an application for authority to provide water and sewer service to an area in which records indicate that you are a property owner. If the application is granted, Willow Springs Utilities, L.L.C. would be the exclusive provider of water and sewer service to the proposed area. Willow Springs Utilities, L.L.C. will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application, available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street/Tucson at 400 West Congress, North Building, Room 218, and at Willow Springs Utilities, L.L.C. at 1600 East Hanley, Suite 128, Oro Valley, Arizona 85737.

The Commission will hold a hearing on this matter. As a property owner you may have the right to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application, have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000/400 West Congress, North Building, Room 218, Tucson, Arizona 85701 or call 1-800-535-0148.

ATTACHMENT 7

WILLOW SPRINGS PROPERTIES, L.L.C.

1600 E. Hanley Blvd.
Suite # 128
Tucson, Arizona 85737

Tel. 742-7007
Fax 742-7003

November 10, 2005

Willow Springs Utilities, L.L.C.
1600 E. Hanley Blvd. Suite 124
Tucson, AZ 85737

Re: Request for Utility Service

Gentlemen:

We own the property described on the attached exhibit in Pinal County, Arizona. This area will be developed into approximately 6,500 residential and related parks, schools, and commercial units and an 18 hole golf course as soon as all required approvals are obtained.

To obtain water and wastewater service to the area, we hereby request that you proceed with applying to the Arizona Corporation Commission for a Certificate of Convenience and Necessity, to Pinal County for a Utility Franchise, and to any other appropriate agency for all other requisite authority necessary to provide the subject service, and thereafter commence water and wastewater service to the Development.

We understand that we will be required to enter into the Company's standard line extension agreements pursuant to which we will pay for all on-site facilities. We further understand that the water and wastewater service will be provided pursuant to the orders, rules, regulations, tariffs, terms and conditions authorized the Arizona Corporation Commission which apply to the Company.

If we can provide further assistance to the Company in obtaining this required authority, please do not hesitate to call my office.

Sincerely,

David Cada
Manager
Willow Springs Properties, L.L.C.

TAB B

WILLOW SPRINGS

WATER MASTER PLAN

Prepared for:

WILLOW SPRINGS, LLC
1600 E. Hanley Blvd., Suite 124
Oro Valley, Arizona 85737
(520) 219-1815

Prepared by:

WESTLAND RESOURCES, INC.
2343 E. Broadway Boulevard, Suite 202
Tucson, Arizona 85719
(520) 206-9585

NOVEMBER 2005
Project No. 927.01 A 8000

TAB C

WILLOW SPRINGS

WATER MASTER PLAN

Prepared for:

WILLOW SPRINGS, LLC
1600 E. Hanley Blvd., Suite 124
Oro Valley, Arizona 85737
(520) 219-1815

Prepared by:

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NOVEMBER 2005
Project No. 927.01 A 8000

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SECTION 1 – INTRODUCTION

The purpose of this concept master plan is to provide the basic information that will be used for determination of required water system facilities for the Willow Springs project and to present a concept for water service for the development. This report includes pressure zones and water service operational method, population and water usage projections, and facility sizing and locations. Willow Springs is comprised of approximately 4,600 acres, located within portions of Sections 8, 9, 14, 15, 22, 23, 25, 26, and 27 of Township 8 South, Range 13 East, and portions of Sections 20, 29, and 30 of Township 8 South, Range 14 East, in southern Pinal County. The buildout of the project is anticipated to include approximately 4,350 single-family home sites, 2,150 active-retirement home sites, two schools, a retreat, a clubhouse, a recreation facility, and town center, and commercial development. The planning horizon for the master plan is buildout of the Willow Springs development, but water service for the Phase 1 area is also addressed.

SECTION 2 – WATER SYSTEM REQUIREMENTS

The main goal of this concept master plan is to determine the required water system facilities based on a variety of engineering operational criteria. The water system facilities reviewed include source (wells), storage (reservoirs), booster stations, and pipelines. Peak daily demand (PDD) requirements were used to review the flows that must be transported through the system to determine the required source capacity and booster station capacities. Reservoirs are sized to provide Average Daily Demand (ADD) plus fire flow for a specified duration per the Arizona Administrative Code (AAC), Title 18 (R18-4-503). Water system hydraulic modeling was used to determine pipeline sizing for moving PDD plus fire flows throughout the system. Further information regarding the engineering criteria used to determine sizing of the facilities is presented below.

2.1 WATER SYSTEM OPERATIONAL CONCEPT

The goal of the master planning for the Willow Springs system is to develop reservoir capacity using floating storage and to maintain standard pressure zone boundaries wherever possible. The water surface of a floating reservoir is set at the high-water elevation for the zone, which is typically approximately 100 ft above the highest home served in the zone. This allows the homes within the zone boundaries to be served directly from the reservoir by gravity, the system pressures are regulated by the reservoir elevation. The booster stations in the system move water from zone to zone at PDD capacity, but do not include fire-flow capacity, which can be provided by gravity from the reservoir. This method provides a highly reliable system with very low pressure fluctuations. The system will continue to operate and provide fire flow during power outages using the remaining water in the reservoirs. Zones without a floating reservoir must have PDD plus fire-flow capacity provided by the booster station, with control of the booster station based on the pressure within the water system.

2.2 WATER SYSTEM ZONE BOUNDARIES

Due to the large topographic range of areas within Willow Springs and the layout of the project, a conventional system with floating reservoirs for all zones does not fit into all areas of the project. To fit the layout of the homes in Willow Springs, four main floating reservoirs and one zone served by a booster station will be required. Each floating reservoir will be filled by a transfer booster station located in the lower zone. For one area (4300 Zone) a double-zone booster station is proposed. The standard pressure for a typical zone is 35 pounds per square inch (psi) minimum and 80 psi maximum for water services (as measured at the meter) and fire hydrants. The layout proposed for the Willow Springs project will have 200-ft pressure zones, which will cause low areas within the zone to experience pressures that exceed 80 psi. In transmission mains without fire hydrants or water service connections, the main pressure may exceed 130 psi. Individual pressure-reducing valves (PRVs) will be required for all homes with main pressures greater than 80 psi.

The six proposed Willow Springs pressure zones are shown in Table 1. The existing contour elevations and the projected zone boundaries are shown on Figure 1.

Table 1. Willow Springs Zone Boundaries

Zone	High Water (ft)	Boundaries (ft)	Static Pressure (psi)
3,450	3,450	3,200-3,350	108-43
3,600	3,600	3,350-3,500	108-43
3,700	3,700	3,400-3,600	130-43
3,900	3,900	3,600-3,800	130-43
4,100	4,100	3,800-4,000	130-43
4,300	4,300	4,000-4,200	130-43

Note: No meters or hydrants will have pressure above 130 psi.

2.3 DEMAND CRITERIA

The demand criteria for residential and nonresidential development in the master plan are based on standard engineering practice for master planning in the Tucson area, most of which is based on usage rates, residency rate, and peaking factors determined from Arizona Department of Water Resources (ADWR) and Tucson Water data. Based on these data, the following usage and peaking criteria will be utilized.

Residential Uses:

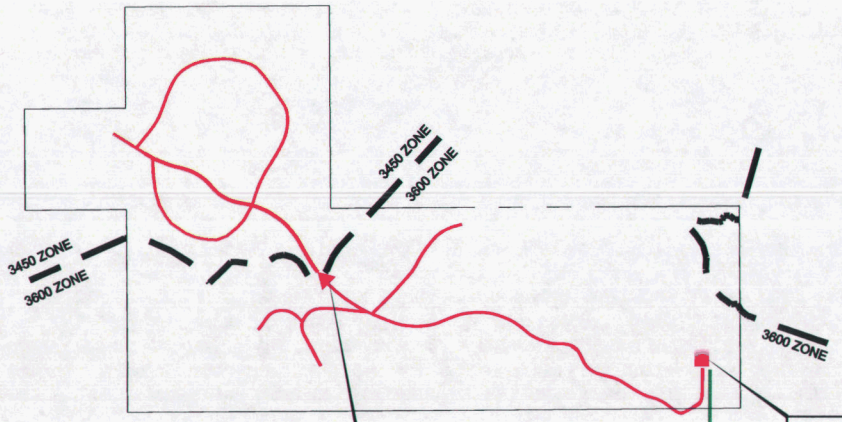
- Average daily per capita water usage for single-family residential ..... 110 gpcd
- Average number of persons per single-family residential unit ..... 2.7 pphu
- Average number of persons per active-retirement residential unit ..... 1.8 pphu
- Ratio of peak-day to average-day use for residential 2.0
- Ratio of peak-hour to average-day use for residential 3.5
- Peak daily water usage for single-family residential (average demand x 2.0) ..... 594 gpd
- Peak daily water usage for active-retirement residential (average demand x 2.0) ..... 396 gpd

Maximum instantaneous flow from Arizona Department of Environmental Quality (ADEQ) Bulletin No. 10.

Nonresidential Uses:

- Average daily water usage for commercial property ..... 1,000 gpad
- Average daily water usage for retreat/school property ..... 1,500 gpad
- Average daily water usage for clubhouse/recreation property ..... 750 gpad

M:\PROJECTS\927.01\nov.05\willow-base-water (11 x 17).dwg



NEW 3600 - 3450 ZONE
1750 GPM PRV STATION

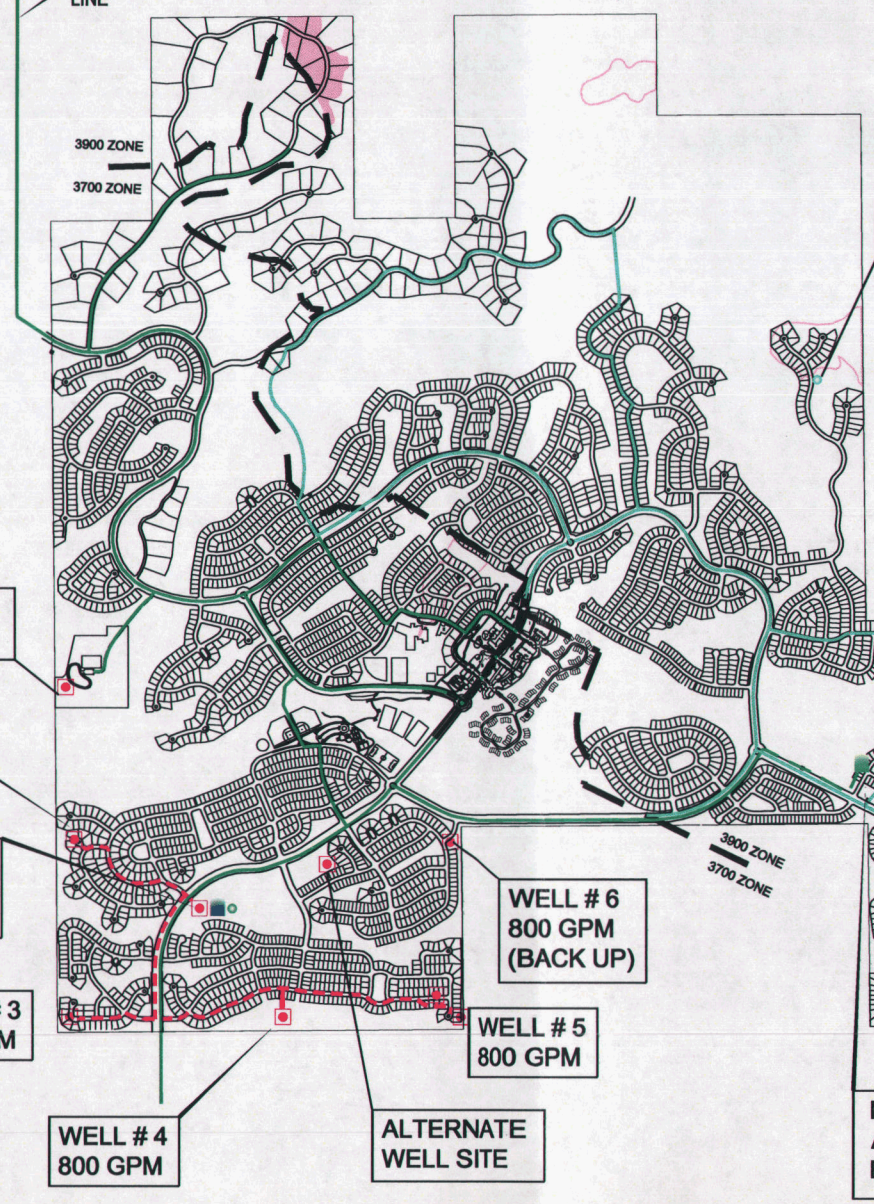
NEW 3600 ZONE
0.27 MG RESERVOIR

8" FILL LINE

ZONE	ELEVATION	HW	ZONE SIZE	RESERVOIR BASE ELEVATION
1	3200-3350	3450	150'	-
2	3350-3500	3600	150'	3584
3	3400-3600	3700	200'	3684
4	3600-3800	3900	200'	3884
5	3800-4000	4100	200'	4084
6	4000-4200	4300	200'	-

LEGEND

- WELL COLLECTION MAINS
- 3450 ZONE
- 3600 ZONE
- 3700 ZONE
- 3900 ZONE
- 4100 ZONE
- 4300 ZONE
- RESERVOIR SITE
- BOOSTER STATION
- PRV STATION
- WELL SITE
- NO SERVICE, GRADING REQUIRED, OR INDIVIDUAL BOOSTERS IN SOME CASES



ALTERNATE WELL SITE

WELL # 2
800 GPM

0.75 MG RESERVOIR
2800 GPM BOOSTER STATION
WELL # 1 - 800 GPM

WELL # 3
800 GPM

WELL # 4
800 GPM

ALTERNATE WELL SITE

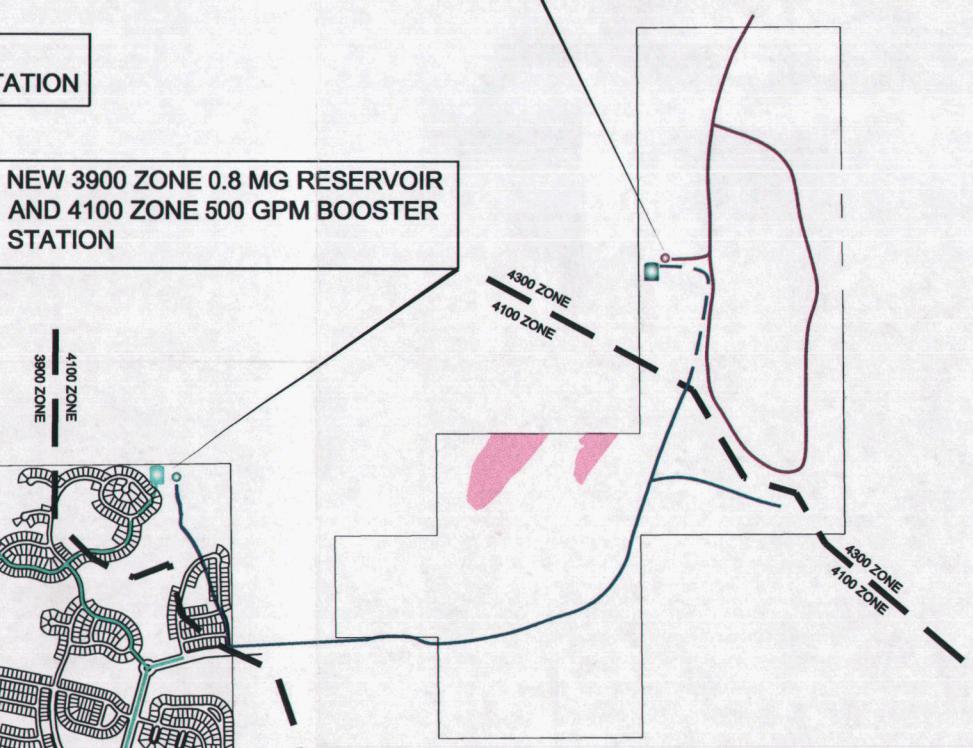
WELL # 5
800 GPM

WELL # 6
800 GPM
(BACK UP)

1100 GPM
BOOSTER STATION

NEW 4100 ZONE 0.42 MG RESERVOIR
AND 4300 ZONE 1800 GPM BOOSTER
STATION

NEW 3900 ZONE 0.8 MG RESERVOIR
AND 4100 ZONE 500 GPM BOOSTER
STATION



NEW 3700 ZONE 0.9 MG RESERVOIR
AND 3900 ZONE 1500 GPM
BOOSTER STATION

N
W E
S

0' 2500'

SCALE: 1" = 2500'

WILLOW SPRINGS

WATER MASTER PLAN - OVERALL

Figure 1

WestLand Resources Inc.
Engineering and Environmental Consultants
2343 E. Broadway Blvd. Suite 202
Tucson, Az 85719 (520) 206-9585

2.4 SOURCE CRITERIA

The total source requirement for the water system is based on meeting PDD for the entire Willow Springs area. This requirement will be used to determine the required amount of source water that must be pumped from new onsite wells.

2.5 STORAGE CRITERIA

Arizona Administrative Code reservoir-sizing criteria for the Willow Springs project requires average day demand (ADD) of the peak month unless the system has multiple wells. The proposed water system is expected to have multiple wells; therefore, the storage requirement will be reduced to ADD plus fire-flow capacity (FFC). The storage tank calculation is described below. Final tank layout and tank dimensions will be determined during facility design.

Total Storage Capacity (MG) = Peak Day Demand (PDD) plus Fire-Flow Capacity (FFC) where,

PDD = Average Day Demand (ADD) x 2.0

FFC = Fire-Flow Requirement (FFR) x Fire-Flow Duration (FFD) in hours x 60

2.6 BOOSTER STATION CRITERIA

The booster station capacity requirement for zones with floating reservoirs is based on providing water to the reservoir at a rate equal to the total PDD of the zones uphill from the booster station. Peak Hour Demand (PHD) and fire flow will be provided directly from the reservoirs. Therefore, the booster station does not need to be sized to provide these flows. For zones served only by pressure-controlled booster stations, the booster capacity is based on providing PHD or PDD (of all uphill zones) plus fire flow, whichever is larger. Homes with a buildable area over 3,600 square feet that are not sprinklered typically require a fire-flow capacity of 1,500 gallons per minute (gpm). The fire-flow capacity is based on an assumption that 1,500 gpm will be provided to residential areas, and 2,000 gpm will be provided to commercial areas. The maximum instantaneous demand per ADEQ Engineering Bulletin No. 10 will also be reviewed for areas serving less than approximately 200 homes, as this may exceed the PDD.

2.7 DISTRIBUTION SYSTEM CRITERIA

The design criteria for the distribution system are generally used to size and arrange the distribution lines to provide the required flows while meeting the ADEQ requirement to maintain 20 psi under all conditions of flow. The standard water main sizing criteria limit velocities to a maximum of 5 feet per second under peak-day conditions. In addition, velocities shall not exceed 10 feet per second under peak-day plus fire-flow or peak-hour-flow conditions. Pipeline sizes must be designed to maintain adequate pressures throughout the system. The maximum friction head loss for lines up to and including 8 inches in size is to be 8 feet or less per 1,000 ft. Head loss for lines over 8 inches in size is to be 5 feet or less

per 1,000 feet, according to pipe size. Minimum pressures within the zone shall be 35 psi at peak-hour conditions throughout the system. Pressures of 20 psi must be maintained throughout the zone at peak-day plus fire-flow conditions.

2.8 FIRE-FLOW REQUIREMENTS

The Willow Springs area will be served by Golder Ranch Fire District. Fire-flow requirements may need to be adjusted after reviewing the concept plan for Willow Springs with the fire district.

SECTION 3 – DEMAND CALCULATIONS

3.1 BUILDOUT PROJECTIONS

The demand projections for Willow Springs are examined separately for each of the six pressure zones for the project (Table 1). Residential units have been counted directly. The nonresidential demands have been tabulated based on the acreage and specific use, per the demand criteria in Section 2. Residential and nonresidential uses by zone are presented in Table 2.

Table 2. Willow Springs Units Served by each Zone

Zone	AR Residential Units	SF Residential Units	Nonresidential Uses
3,450	-	192	-
3,600	-	90	-
3,700	-	2,436	40 acres, schools; 44.7 acres, recreation facility; 4.1 acres, commercial; 31.3 acres, town center
3,900	1,993	946	7.4 acres, commercial; 55.7 acres, retreat; 18.9 acres; clubhouse
4,100	130	491	-
4,300		222	-
TOTAL	2,123	4,377	40 acres, schools; 44.7 acres, recreation facility; 11.5 acres, commercial; 31.3 acres, town center; 55.7 acres, retreat; 18.9 acres; clubhouse

3.2 DEMAND PROJECTIONS

Based on the criteria in Section 2, Table 3 has been prepared to present the projected demands by zone within the Willow Springs area. This table will provide the demand criteria for the sizing of all water infrastructure for Willow Springs.

Table 3. Willow Springs Water System Demands

Zone	Total AR & SF Residential Units	Ac Nonresidential	Average Daily Demand (gpd)	Average Daily Demand (gpm)	Peak Daily Demand (gpm)	Peak Hour Demand (gpm)	Required Fire Flow (gpm)*
3,450	192	-	57,024	40	79	139	1,500
3,600	90	-	26,730	19	37	65	1,500
3,700	2,436	120.1	818,142	568	1,136	1,989	2,000
3,900	2,939	82	705,560	490	980	1,715	2,000
4,100	621	-	171,567	119	238	417	1,500
4,300	222	-	65,934	46	92	160	1,500
TOTAL	**6,500**	**202.1**	**1,844,957**	**1,423**	**2,562**	**4,484**	-

Note: Two-hour duration.

SECTION 4 - INFRASTRUCTURE REQUIREMENTS

In accordance with the criteria in Section 2 and water usage rates shown in Table 3, the requirements for water system facilities were analyzed to determine the capacity of these facilities to serve the buildout of Willow Springs. This analysis is provided below. The projects described below are also shown on Figure 1.

4.1 WATER SERVICE CONCEPT

The water service concept for Willow Springs is to provide all reservoir storage and booster station capacity using onsite facilities with floating reservoirs wherever possible. The overall plan for buildout of Willow Springs is described below, followed by a description of how the plan will be implemented for the phased development of Willow Springs (Figure 1). The water system facilities are described zone by zone as water will be transported up and distributed throughout Willow Springs. Calculated capacities for the various facilities are described in the remaining parts of this section.

4.1.1 Buildout Water Service Concept

The Willow Springs area includes six pressure zones, as shown in Table 1. The source water will be provided by six onsite wells located in the southeast portion of the project. Five of the six wells will be pumped directly to a central storage facility by a dedicated well distribution system. One well will pump directly into the 3700 Zone. Two additional well sites are reserved as alternative well site locations if needed to meet capacity requirements. Source water to serve all zones within the project will be pumped by booster to the 3600 and 3700 Zone reservoirs when they have been constructed. For Phase 1 the booster will be controlled by pressure within the 3700 Zone. The 3700 Zone area is mainly residential, but it will also serve two schools, commercial use, and a recreation facility.

At a location near the 3700 Zone boundary, there will be a 3700 Zone reservoir and 3900 Zone booster station, which will deliver PDD into the 3900 Zone reservoir for all units in the 3900, 4100, and 4300 Zones. The booster station will be level-controlled based on the level in the 3900 Zone reservoir, which will be sized according to the AAC sizing criteria to provide domestic and fire-flow demands into the 3900 Zone area. The 3900 Zone area is mainly residential, but it will also serve a proposed clubhouse and retreat.

Water will be withdrawn from the 3900-Zone reservoir by the 4100-Zone booster station at the reservoir site to serve the 4100 and 4300 Zones. The 4100 Zone booster station will be designed to serve PDD for all units in the 4100 and 4300 Zones. The 4100 Zone booster station will be level-controlled based on the level within the 4100 Zone reservoir.

The 4100 Zone reservoir will be sized according to the sizing criteria in Section 2 to provide domestic and fire-flow demands for the 4100 Zone and the 4300 Zone, which is pumped from the reservoir. The area served by the 4100-Zone reservoir is residential

A 4300 Zone booster station at the 4100 Zone reservoir site will withdraw from the 4100-Zone reservoir to serve PDD plus fire flow to all units within the 4300 Zone. This booster station will be pressure-controlled based on the pressure within the 4300-Zone system. It is recommended that a backup generator be added to the site for 4300 Zone booster reliability. The 4300 Zone will not have a floating reservoir because there are no appropriate sites available at the elevation required on-site.

The residential units on the northeast side of the project will be served by gravity from the 3600-Zone reservoir, although pressure reduction will be required. There will be a 3600 to 3450 Zone PRV station in the northeastern portion of the project. The domestic and fire-flow requirements for the 3450 and 3600 Zones will be included in the 3600-Zone reservoir sizing.

4.1.2 Phased Water Service Requirements

The Phase 1 area of Willow Springs is shown on Figure 2. Phase 1 includes portions of the 3700 and 3900 Zones and the well collection system. In order to serve the Phase 1 area, the following facilities will be required:

- 2,400-gpm 3700 Zone Booster Station
- 750,000-gallon Forebay storage reservoir
- 1,300-gpm 3900 Zone Booster Station
- Two – 800-gpm wells
- 3700-Zone water distribution mains
- 3900-Zone water distribution mains
- Well collection mains

As future phases of Willow Springs are developed, other water facilities will be required as follows:

- In order to serve the full buildout of the 3700 Zone a floating reservoir will need to be built. Service to homes above the 3700-Zone boundary will require a 3900-Zone booster station for initial phases, and the 3900-Zone reservoir will be required at buildout in addition to any required 3700- and 3900-Zone pipelines.
- Service to homes above the 3900-Zone boundary will require a 4100-Zone booster station for initial phases, and the 4100-Zone reservoir will be required at buildout in addition to any required 4100-Zone pipelines.
- Booster stations used to serve initial phases (before a floating reservoir is built) will be pressure controlled and will later require enough capacity to serve the PDD plus fire flow of the lots served. These booster stations will later be converted to level control for ultimate PDD only.

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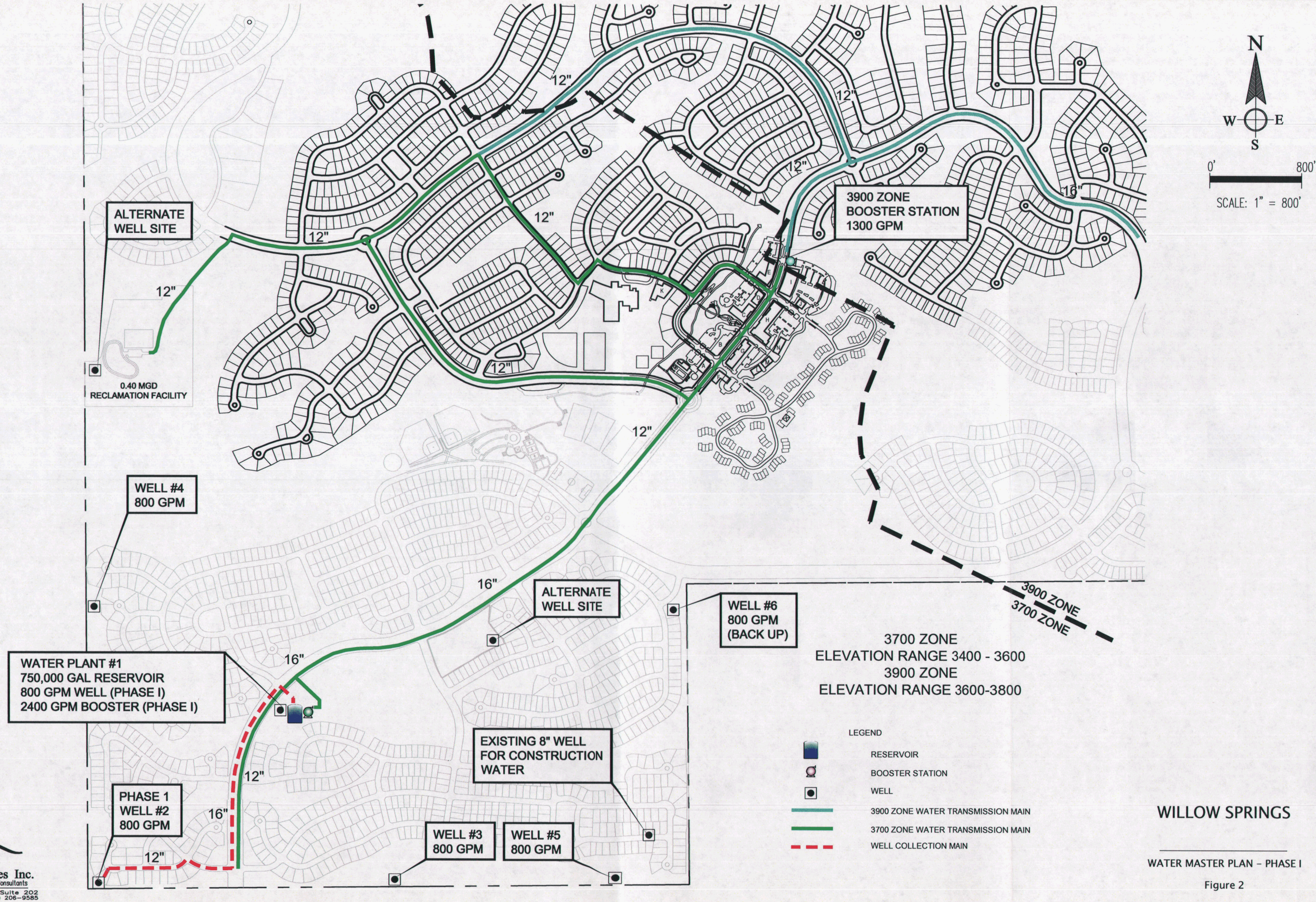

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WILLOW SPRINGS

WATER MASTER PLAN - PHASE I

Figure 2

- Service to homes above the 4100-Zone boundary will require a 4300-Zone booster station, in addition to any required 4300-Zone pipelines.
- Service to homes in the 3600-Zone will require the 3600-Zone reservoir in addition to any required 3600 and 3700-Zone pipelines.
- Service to homes in the 3450-Zone will require the 3450-Zone PRV in addition to any required 3450-Zone pipelines.

4.2 SOURCE REQUIREMENTS

The total source requirement for the water system is based on meeting PDD for the service area. PDD for the entire Willow Springs project has been calculated as approximately 2,600 gpm. This is the volume of water that must be withdrawn from the onsite wells. Five 800-gpm wells will provide the source capacity to meet PDD requirements. An additional well will be used as a backup in the event that one of the wells is taken out of service. Two additional well locations are proposed if needed to meet future capacity requirements.

4.3 STORAGE RESERVOIR SIZING

In accordance with the water service concept described above, five potable water reservoirs are proposed for the Willow Springs project. The sizing calculations for these reservoirs are described in the sections below, and the reservoir sizing is summarized in Table 4.

Table 4. Reservoir Capacities

Reservoir	Total Required Capacity (gal)	HW Elev
Well Collection	750,000	N/A (Forebay)
3,600	270,000	3,600
3,700	900,000	3,700
3,900	800,000	3,900
4,100	420,000	4,100
Total	**3,140,000**	-

4.3.1 Well Collection Reservoir

For Phase 1 this storage reservoir will serve PDD plus 2,000 gpm to a portion of the 3700 and 3900 Zones. Ultimately, this reservoir will act as forebay storage for five onsite wells. The method of reservoir sizing results in the following:

Demands for Phase 1 3700 and 3900 Zones

ADD = 490,050 gal/day (based on serving 1,650 units)
FFR = 2,000 gpm
FFD = 2 hrs
FFC = FFR x FFD x 60 = 2,000 x 2 x 60 = 240,000 gallons

Total Storage Capacity = (490,050 + 240,000) = 730,050 gallons

The well collection reservoir must therefore include approximately 750,000 gallons of usable storage above the reservoir inlet. Final gross capacity will be determined by design configuration of the reservoir.

4.3.2 3600 Zone Reservoir

This reservoir will ultimately serve demands of the 3450 and 3600 Zones and will be sized to serve all of these demands. The method of reservoir sizing results in the following:

Demands for 3450 and 3600 Zones

ADD (3450 Zone) = 57,024 gal/day (See Table 3)
ADD (3600 Zone) = 26,730 gal/day (See Table 3)
FFR (For both Zones) = 1,500 gpm
FFD = 2 hrs
FFC = FFR x FFD x 60 = 1,500 x 2 x 60 = 180,000 gallons

Total Storage Capacity = (57,024 + 26,730 + 180,000) = 263,754 gallons

The 3600-Zone reservoir must therefore include approximately 270,000 gallons of usable storage above the reservoir inlet. Final gross capacity will be determined by design configuration of the reservoir.

4.3.3 3700 Zone Reservoir

This reservoir will ultimately serve demands of the 3700 Zone and will be sized to serve these demands. The method of reservoir sizing results in the following:

Demands for 3700 Zone

ADD =818,142 gal/day (See Table 3)
FFR = 2,000 gpm
FFD = 2 hrs
FFC = FFR x FFD x 60 = 2,000 x 2 x 60 = 240,000 gallons
(187,500 gallons located in well collection reservoir)

Total Storage Capacity = (817,142 + 240,000-187,500) = 869,642 gallons

The 3700 Zone reservoir must therefore include approximately 0.90 million gallons (MG) of usable storage above the reservoir inlet. Final gross capacity will be determined by design configuration of the reservoir.

4.3.4 3900 Zone Reservoir

This reservoir will ultimately serve demands of the 3900 Zone and will be sized to serve these demands. The method of reservoir sizing results in the following:

Demands for 3900 Zone

ADD = 705,560 gal/day (See Table 3)
FFR = 2,000 gpm
FFD = 2 hrs
FFC = FFR x FFD x 60 = 2,000 x 2 x 60 = 240,000 gallons
(187,500 gallons located in well collection reservoir)

Total Storage Capacity = (705,560 + 240,000-187,500) = 758,060 gallons

The 3900 Zone reservoir must therefore include approximately 0.80 MG of usable storage above the reservoir inlet. Final gross capacity will be determined by design configuration of the reservoir.

4.3.5 4100 Zone Reservoir

This reservoir will ultimately serve demands of the 4100 Zone and the 4300 Zone and will be sized to serve all of these demands. The method of reservoir sizing results in the following:

Demands for 4100 and 4300 Zones

ADD (4100 Zone) = 171,567 gal/day (See Table 3)
ADD (4300 Zone) = 65,934 gal/day (See Table 3)
FFR (4100 & 4300 Zones)= 1,500 gpm
FFD = 2 hrs
FFC = FFR x FFD x 60 = 1,500 x 2 x 60 = 180,000 gallons

Total Storage Capacity = (171,567 + 65,934 + 180,000) = 417,501 gallons

The 4100-Zone reservoir must therefore include approximately 420,000 gallons of usable storage above the reservoir inlet. Final gross capacity will be determined by design configuration of the reservoir.

4.4 Booster Station Requirements

The water system must be capable of moving the source water throughout the water system at a rate equal to at least PDD. In zones without floating storage, the booster pump station must also be capable of providing fire flow to the system. These functions are performed by three proposed transfer booster pump stations and one pressure-controlled booster station. The number of units served by a transfer booster station includes the cumulative number of units upstream of the booster stations within the project. The capacities for the transfer booster stations are based upon PDD of the cumulative number of units upstream of the booster stations within the project. The capacity of the pressure-controlled booster station is based on the instantaneous demands according to ADEQ Bulletin No. 10 of the total number of residential units. The sizing calculations for these booster stations are described in the sections below, and the sizing is summarized in Tables 5 and 6.

Table 5. Booster Station Capacities

Booster Station	Residential Units Served	Nonresidential Acres Served	Total PDD (gpm)	Bulletin 10 Max Inst. (gpm)	Fire-Flow Req. (gpm)	Minimum Booster Station Cap. (gpm) *
3,700	6,218	202.1	2,446	NA	NA	2,800
3,900	3,782	82	1,310	NA	NA	1,500
4,100	843	0	330	NA	NA	500
4,300	222	0	92	264	1,500	1,800

Note: Based on the upper reservoir being in place. Booster station will include PDD plus FF if upper booster is not built in that phase.

Table 6. Booster Station Design Criteria

Booster Station	Proposed Booster Station Capacity (gpm)	Discharge High Water (ft)	Approximate Site Elevation	Suction Pressure Available to Booster Station (psi)
3,700	2,800	3,700	TBD	7(from reservoir)
3,900	1,500	3,900	3,684	7 (from reservoir)
4,100	500	4,100	3,884	7 (from reservoir)
4,300	1,800	4,300	4,084	7 (from reservoir)

4.4.1 3700 Zone Booster Station

This booster station will be located at the well collection reservoir site and will deliver from that reservoir to the 3700 Zone. The booster station will be pressure controlled by the pressure in 3700 Zone and will serve fire flows in 3700 and 3900 Zones for Phase 1. Ultimately, the booster will be controlled by the level in the 3700 Zone reservoir and will provide source water for all zones. The initial capacity of the booster station must be PDD for the 1,650 homes in the 3700 and 3900 Zones plus fire flow for Phase 1. The proposed capacity of the booster pump station for Phase 1 will be approximately 2,400 gpm. The capacity of the booster station must be the PDD of all zones for buildout. The proposed capacity of the booster pump station will be 400 gpm more than Phase 1 because the booster will no longer be required to deliver fire flow to the zone. The booster station will include a hydropneumatic tank for surge control. It is recommended that this booster station have a generator for reliability.

4.4.2 3900 Zone Booster Station

A temporary inline booster station is proposed to serve the PDD and fire flow requirements of approximately 650 units within the 3900 Zone in Phase 1 with a capacity of 1,300 gpm. This booster station will be moved to serve an area above the proposed zone boundary in the 3700 Zone once the permanent 3900 Zone booster is in service at the 3700 Zone reservoir site. The permanent booster station will be located at the 3700 Zone Reservoir site and will deliver from that reservoir to the 3900 Zone. The booster station will be level controlled by the level in 3900 Zone reservoir and will serve the 3900, 4100, and 4300 Zones. The capacity of the booster station must be PDD for the 3900, 4100, and 4300 Zones. The proposed capacity of the booster pump station will be approximately 1,500 gpm. The booster station will include a hydropneumatic tank for surge control.

4.4.3 4100 Zone Booster Station

This booster station will be located at the 3900-Zone Reservoir site and will deliver from that reservoir to the 4100 Zone reservoir. The booster station will be level controlled by the level in 4100 Zone and will serve the 4100 and 4300 Zones. The capacity of the booster station must be PDD for the 4100 and 4300 Zones. The proposed capacity of the booster pump station will be approximately 500 gpm. The proposed capacity of the booster pump station in the initial phase of the 4100 Zone (before the 4100 Zone reservoir

is built) will include PDD plus fire flow (approximately 1,300 gpm). The booster station will include a hydropneumatic tank for surge control.

4.4.4 4300 Zone Booster Station

This booster station will be located at the 4100 Zone reservoir site, and will withdraw from the 4100-Zone reservoir to serve 4300 Zone. The booster station will be pressure controlled by the pressure in 4300 Zone and will serve fire flows in 4300 Zone. The capacity of the booster station must be instantaneous demand plus fire flow for 4300 Zone. The proposed capacity of the booster station is approximately 1,800 gpm. The booster station will include a hydropneumatic tank for surge and pressure control.

4.5 PRESSURE-REDUCING VALVE STATION REQUIREMENTS

There are two proposed in-line PRV stations in the Willow Springs area. The PRV stations are 3600- to 3450-Zone PRV stations on the northeast side of the development. The design criteria for the PRV is discussed below and summarized in Tables 7 and 8. Sizing is based on the maximum instantaneous flow from ADEQ Engineering Bulletin No. 10 plus fire-flow requirements for the zone served.

Table 7. PRV Station Capacities

PRV Station	Zones Served	Residential Units Served	Nonresidential Acres Served	Bulletin 10 Max Inst. (gpm)	Fire Flow (gpm)	Minimum PRV Capacity
3,600 to 3,450 PRVs	3,450	192	-	242	1,500	1,750

Table 8. PRV Station Static Pressures

PRV Station	Site Elevation	Upstream HW (ft)	Downstream HW (ft)	Upstream Pressure (psi)	Downstream Pressure (psi)
3,600 to 3,450 PRVs	3,350	3,600	3,450	108	43

4.5.1 3600 to 3450 Zone PRV Stations

The 3600- to 3450-Zone PRV stations will be located along the 3450 Zone boundary near the northeast side of the project to lower the pressure to homes in the area. The maximum instantaneous flow demand of the 3450 Zone is 242 gpm, and the fire-flow requirement is 1,500 gpm for the area. The minimum PRV station capacity will be approximately 1,750 gpm. The pressure at the PRV station location is anticipated to be 108 psi on the suction side and 43 psi on the discharge side. The second PRV station will be used for system redundancy.

4.6 PIPELINE REQUIREMENTS

Proposed water pipeline sizes, based on hydraulic modeling for transporting PDD and fire flow throughout the subdivision, are shown on Figure 1.

WILLOW SPRINGS

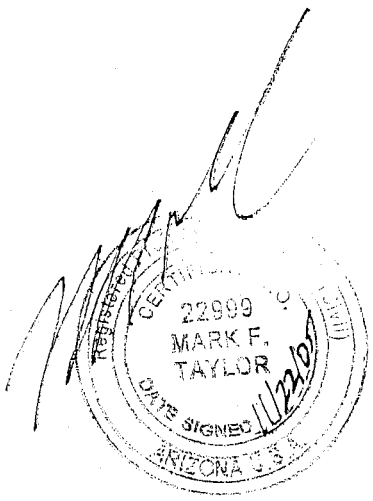
WASTEWATER AND RECLAIMED MASTER PLAN

Prepared for:

WILLOW SPRINGS, LLC
1600 E. Hanley Blvd., Suite 124
Oro Valley, Arizona 85737

Prepared by:

WESTLAND RESOURCES, INC.
2343 E. Broadway Boulevard, Suite 202
Tucson, Arizona 85719



NOVEMBER 2005
Project No. 927.01 A 8000

TAB D

WILLOW SPRINGS

WASTEWATER AND RECLAIMED MASTER PLAN

Prepared for:

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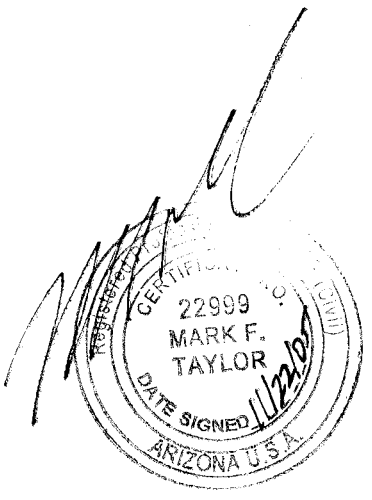

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SECTION 1 – INTRODUCTION

The main purpose of this Wastewater and Reclaimed Water Master Plan is to provide guidelines for the development of the on-site sewer being conveyed to the Willow Springs Reclamation Facility and the subsequent reclaimed water system. The Willow Springs Project has been separated into sewer basins, for which estimated dwelling units, population, and peak wet-weather flows were calculated to determine the required capacities of the proposed sewer mains. Reclaimed water uses were estimated from a proposed development plan to determine pipeline and infrastructure sizing to promote full utilization of effluent during both the initial phasing and after buildout has occurred.

The Willow Springs project consists of a planned, 4,600-acre residential community located northwest of Oracle in southern Pinal County. Willow Springs is within boundaries of Pinal County, and falls within portions of Sections 8, 9, 14, 15, 22, 23, 25, 26, and 27 of Township 8 South, Range 13 East and portions of Sections 20, 29, and 30 of Township 8 South, Range 14 East, Pinal County, Arizona (Figure 1, Willow Springs Sewer Basins).

The development plan for Willow Springs includes residential areas ranging from low density to medium density single-family and active-retirement homes. In addition, a small amount of commercial and recreational development is planned. The Willow Springs project will have approximately 6,500 residential dwelling units, 2 schools, 40 acres of turf (parks), and 160 acres of commercial and recreational development. Estimated flows for the planned parks and commercial/recreational areas were determined based on the acreage dedicated to those areas.

There are approximately 400 residential units that will not sewer into the proposed Reclamation Facility. These units will sewer to individual septic systems or to a small wastewater treatment package plant in Basin G, depending on the topography of the development.

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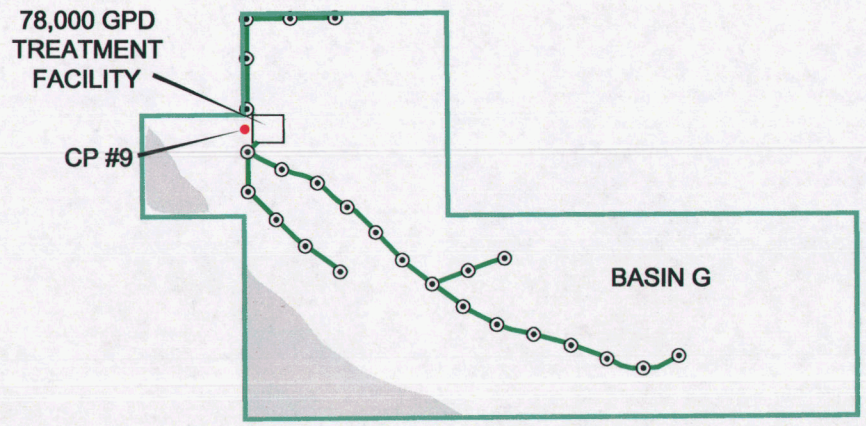
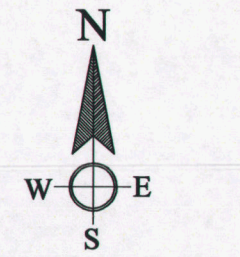




T — WASTEWATER RECLAMATION FACILITY

LIFT STATION

GRAVITY SEWER

FORCEMAIN

NON SEWERED AREAS

BASIN A

BASIN B

BASIN C

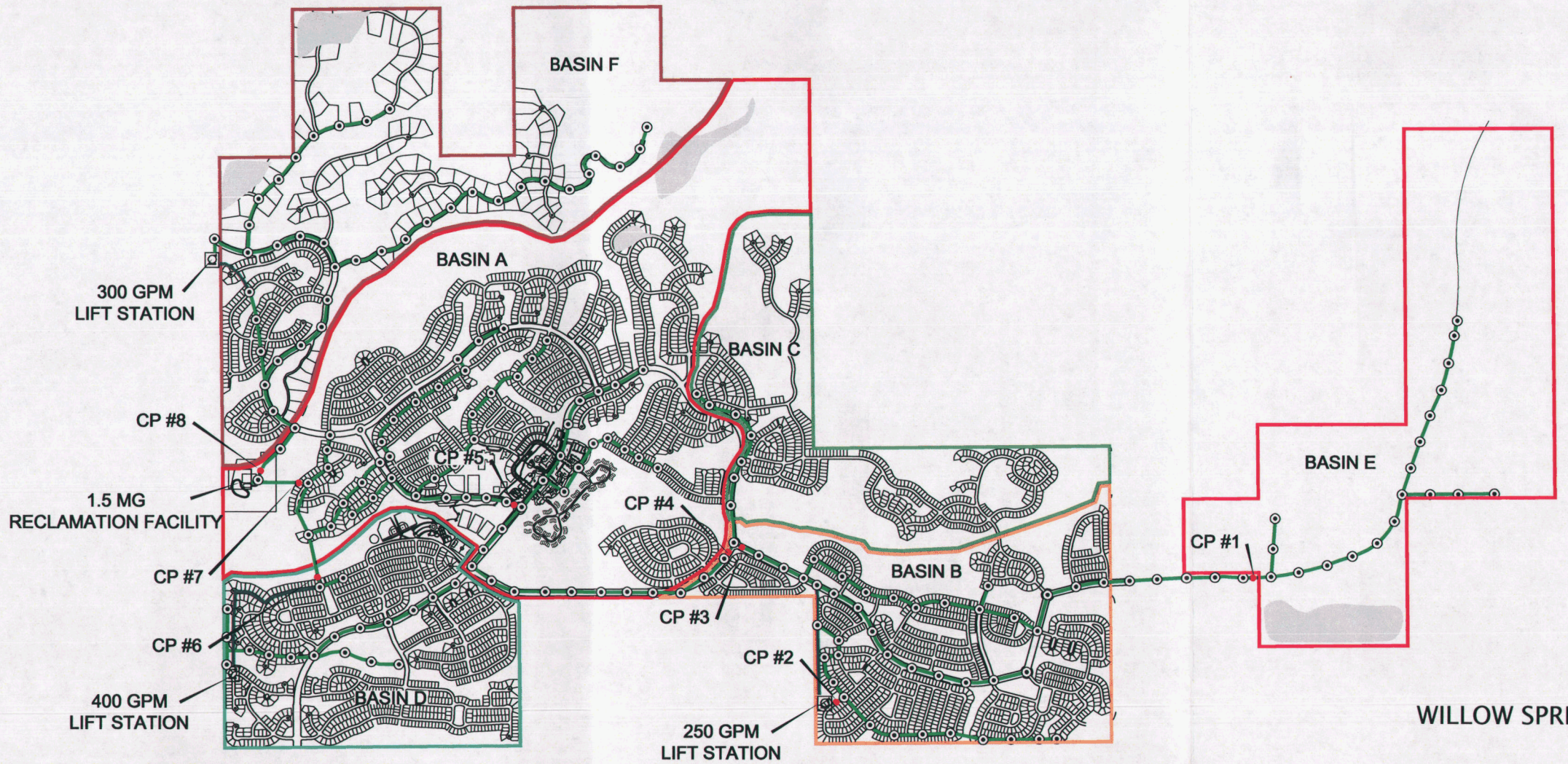
BASIN D

BASIN E

BASIN F

BASIN G

CP #1 — CONCENTRATION POINT



WILLOW SPRINGS

SEWER MASTER PLAN - OVERALL

Figure 1

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SECTION 2 – DESCRIPTION OF PROJECT

Onsite gravity sewers will collect wastewater generated within the Willow Springs project and deliver it to a Wastewater Reclamation Facility located along the west border of the project just north of Tipperary Wash. The on-site sewer will cross several washes to reach the Willow Springs Reclamation Facility. There are three areas within the Willow Springs development that will require lift stations to deliver into the onsite gravity sewer system. The wastewater facilities examined will include the proposed on-site sewer mains to be located within the development area, proposed lift stations, and the Wastewater Reclamation Facility. The Willow Springs proposed on-site sewer alignments, lift stations, and Reclamation Facility location and sizing are shown on Figure 1. The reclaimed water facilities examined will include the proposed on-site reclaimed water mains to be located within the development area and proposed storage and discharge facilities. The Willow Springs proposed reclaimed water alignments and storage facilities location and sizing are shown on Figure 2.

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RECLAMATION FACILITY
TREATMENT PLANT
ULTIMATE 1.5 MGD
PHASE 1
0.40 MG

N
W E
S

0' 800'

SCALE: 1" = 800'

12"
21"
18"
18"
21"
18"
8"
15"

LEGEND

WASTEWATER RECLAMATION FACILITY

GRAVITY SEWER

BASIN BOUNDARY

WILLOW SPRINGS

SEWER MASTER PLAN- PHASE I

Figure 2

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SECTION 3 – WASTEWATER STUDY AREA

ON-SITE SEWER BASINS

The on-site study area is divided into seven primary sewer basins, labeled A through G, with eight concentration points located at critical points, to determine projected flows and sewer capacities. The onsite sewer basins shown on Figure 1 are based upon the existing topography and providing gravity flow to the Willow Springs Reclamation facility.

Basin A comprises Sections 20, 29, and 30 of Township 8 South, Range 14 East, which includes Parcels N5-V1-5. The basin will deliver to Basin B through an 8-inch gravity sewer across a State Land easement to concentration point #1.

Basin B consists of the southern portion of Section 25 of Township 8 South, Range 13 East, which includes Parcels N2-V2-12. Parcels N2-V4-5 gravity flow to a lift station that pumps the flows north to the gravity system in within Basin B (concentration point #2). A large portion of this basin gravity flows to the northeast corner of Parcel N2-V2, where its flows combine with flows from Basin C at concentration point #3.

Basin C consists of portions of Sections 23, 25, and 26 of Township 8 South, Range 13 East, which includes Parcels N2-V13-14 and N3-V6-7. This basin gravity flows to the northeast corner of Parcel N2-V2, where it will combine with flows from basin B at concentration point #4.

Basin D consists of the southern portion of Section 27 of Township 8 South, Range 13 East, which includes ParcelsN1-V8-16. A large portion of this basin gravity flows to the northwest corner of Parcel N1-V10, where a lift station will pump the flows north to the gravity system within Basin D (concentration point #6).

Basin E consists of portions of Sections 22, 23, 26, and 27 of Township 8 South, Range 13 East, which includes Parcels N1-V1-7, N2-V1, N2-V15, N3-V2-5, and N3-V8. A portion of this basin (Parcels N3-V4, N3-V5, N3-V8, and western portions of parcels N3-V2 and N3-V3) gravity flows to the southwest corner of Parcel N1-V7 and combines with flows from Basin A, B, C near the southern boundary of the Town Center at concentration point #5. The remaining parcels gravity flow to the east corner of Parcel N1-V4 (concentration point #7).

Basin F consists of portions of Sections 14, 15 and 22 of Township 8 South, Range 13 East, which includes Parcels N3-V1 and N4-V1-5. A large portion of this basin (Parcels N4-V1-5) gravity flows to the northwest corner of Parcel N3-V1, where a lift station will pump the flows south to a gravity system

in Parcel N2-V1. Parcel N3-V1 gravity flows south to the wastewater reclamation facility (concentration point #8).

Basin G consists of portions of Sections 8 and 9 of Township 8 South, Range 13 East, which includes Parcels N6-V1-5. This basin gravity flows to the southeast corner of Parcel N6-V2 to a small package treatment facility (concentration point #9).

SECTION 4 – POPULATION AND WASTEWATER FLOW PROJECTIONS

The population estimate for Willow Springs is based on an estimated number of units currently planned for the development. This estimate is presented in Table 1, below. The projected buildout estimates for the on-site sewer basins are derived using information from land use density plan for the Willow Springs development. Buildout calculations for the on-site sewer basins are presented in Table 1.

Table 1 – Estimate of Buildout

Sewer Basin	Buildout Estimate
A	713 SF du
B	1,464 AR du 7.4-ac commercial 18.9-ac clubhouse
C	145 SF du, 387 AR du
D	1,063 SF du 44.7 –ac regional park, 4.1-ac commercial 18.2-ac school
E	1,664 SF du, 385 AR du 31.3-ac town center 21.3-ac school
F	397 SF du 55.7-ac retreat
G	282 SF du
Total On-site	4,264 SF du, 2,236 SF du 11.5-ac commercial 39.5-ac school 18.9-ac clubhouse 55.7-ac retreat 44.7-ac regional park 31.3-ac town center

In order to estimate the projected sewer flows for the sewer basins, flow estimates for active-retirement and single-family residential, schools, parks, and commercial/town center facilities were derived based on estimated flows. Residential densities were given in the development plan proposed by Norris Design in November 2005. The design criteria for Willow Springs are as follows:

- 85 gallons per capita per day (GPCD) for residential (Arizona Administrative Code Title 18, Chapter 9 (Aquifer Protection Permit [APP] Rules)
- 2.7 persons/dwelling unit (DU) for single-family residential
- 1.8 persons/dwelling unit (DU) for active-retirement residential
- 800 GPAD for Commercial/Town Center (ADF) sewer flows
- 1,200 GPAD for Clubhouse/Retreat/Recreation (ADF) sewer flows
- 20 gallons per student per day (GPSD) for School Use (ADF) sewer flows (assumes 1,200 students per school at buildout)

- 3.0 peaking factor for non-residential Peak Dry Weather Flow (PDWF)
- Residential peaking factors per the Pima County tabulation
- 250 GPAD for wet weather flow infiltration
- Pipe capacity calculated with pipes flowing full as per Manning's Formula for hydraulic flow, with n=0.013, and with pipes flowing at d/D=0.75

Equations:

ADF (Average Daily Flow) = (Population x 85 GPCD) + (Commercial/Town Center x 800 GPAD) + ((Students) x 20 GPSD) + (Clubhouse/Retreat/Recreation Use x 1,200 GPAD)

PDWF (Peak Dry Weather Flow) = (Population x 85 GPCD x Peak Factor) + (Commercial/Town Center Use x 800 GPAD x 3.0 (Peak Factor)) + ((Students) x 20 GPSD) x 3.0 (Peak Factor)) + (Clubhouse/Retreat/Recreation Use x 1,200 GPAD x 3.0 (Peak Factor))

PWWF (Peak Wet Weather Flow) = PDWF + (Total Sewered Acreage x 250 GPAD)

Using the above equations, the ADF, PDWF, and PWWF have been calculated for each concentration point, based on estimates of residential dwelling units, school population, and commercial use acreage for each basin. The contributing populations were also accumulated at each concentration point to determine the overall PDWF and PWWF at each concentration point. These flow calculations are presented in the Sewer Basin Flows Table (Appendix A). The sewer concentration points are located graphically on Figure 1.

Table 2 – Sewer Basin Flow Summary

Basin	Concentration Point	ADWF (MGD)	PDWF (MGD)	PWWF (MGD)
A	1	0.16	0.36	0.46
B	2	0.11	0.25	0.29
A, B	3	0.42	1.03	1.18
A, B, C	4	0.51	1.20	1.40
A, B, C, E	5	1.00	2.10	2.34
D	6	0.32	1.00	1.04
A, B, C, D, E	7	1.32	3.01	3.26
F	8	0.16	0.65	0.78
G	9	0.06	0.16	0.25

SECTION 5 – WASTEWATER SYSTEM INFRASTRUCTURE REQUIREMENTS

The accumulated projected flows presented in Appendix A have been used to estimate the size of the gravity sewer mains, lift stations, force mains, and the Wastewater Reclamation Facility. These sizes may vary depending on the final project density, layout, and pipe slopes. Standard design-flow velocities and slope criteria were used to determine preliminary inverts for the sewer collection system. Using the sewer slopes and associated PWWF projections, preliminary gravity sewer main sizes have been determined for Phase 1, as shown on Figure 2. The pipe sizes required to serve the buildout of Willow Springs project are summarized in Table 3.

Table 3 – Pipe Sizing Summary

Sewer Basin	Pipe Sizes
A	8"
B	12" 6" (force main)
C	15"
D	12" 6" (force main)
E	21" 18" 15" 12"
F	12" 8" 6" (force main)
G	8"

The ultimate PDWF at d/D = 75 percent was used to size the sewer mains and the velocity at PDWF is designed to be greater than two feet per second (fps) at the buildout flows. Pipeline sizes for Phase I are shown on Figure 2.

The Wastewater Reclamation Facility is sized according to ADWF. The facility will be approximately 1.5 million gallons per day (MGD) for the on-site sewer basins. The Wastewater Reclamation Facility is planned to be a modern enclosed Sequencing Batch Reactor (SBR) or a Membrane Bioreactor (MBR) system. The treatment plant will produce A+ effluent and have full noise and odor control. The anticipated footprint size of the facility will be 25 acres, which includes 350-foot setbacks. The existing wash to the south of the facility site will be used to meet setback requirements.

The minimum design flow for the lift stations serving Basins B, D, and F are approximately 250, 400, and 300 gallons per minute (gpm), respectively. The lift station minimum design flow is 125 percent of the

PDWF for the respective basins, which provides an additional safety factor. The flow rates provided by the lift station may be larger than the minimum design flow rate in order to provide adequate velocities in the force main. The force mains are sized to provide a velocity between 3 and 5 fps per the APP rules.

SECTION 6 – RECLAIMED WATER FLOW PROJECTIONS AND DEMANDS

Willow Springs plans to use the reclaimed water generated by the wastewater treatment plant for onsite irrigation needs and onsite recharge. Onsite irrigation will consist of one golf course, arterial road right of ways, and approximately 40 acres of turf in parks and schools. Any excess reclaimed water not used for irrigation will be stored in a reservoir, golf course lake, and/or discharged to onsite washes, depending on the amount of excess reclaimed water. Irrigation demands that cannot be met by reclaimed water during peak summer months will be supplemented by the potable water system. A reclaimed water balance was prepared to illustrate fluxuations in annual reclaimed water quantity and usage for five-year intervals until buildout has been reached.

The proposed buildout reclaimed water system layout is shown in Figure 3. The Willow Springs reclaimed water system will be controlled by pressure with booster pumps located at the reclamation plant. A storage reservoir, located at the wastewater treatment plant will allow the system greater flexibility to meet daily peaking demands by allowing the reservoir to fill during the day when wastewater generation and treatment occur and drain at night when irrigation cycles take place. There will also be a storage lake serving the golf course to allow the same type of flexibility. During the winter months, excess reclaimed water will need to be discharged, Figure 3 shows the proposed wash discharge location. Wash discharges may occur at multiple locations depending upon soil, recharge, and vegetation studies.

Reclaimed water system flows are based on the wastewater generated by proposed water uses as discussed earlier in this report. Appendix B contains the criteria used to determine water usage estimates and wastewater generation over the 20-year buildout period.

Irrigation demands are based on serving one 18-hole golf course, 235 acres of low water use irrigation, and approximately 40 acres of turf. Proposed turf uses will be a large regional park, neighborhood pocket parks, and two school sites. Proposed low water uses will be rights of way along arterial roads. Turf and low water use demand criteria are based on Arizona Department of Water Resources Third Management Plan uniform demand numbers for Pinal County. Golf course demand is based on Arizona Department of Water Resources Third Management Plan for the Tucson Active Management Area. Lost and unaccounted for water for the reclaimed system was estimated at 5 percent of the total irrigation volume served. Appendix B contains the irrigation demand estimates over the 20-year buildout period.

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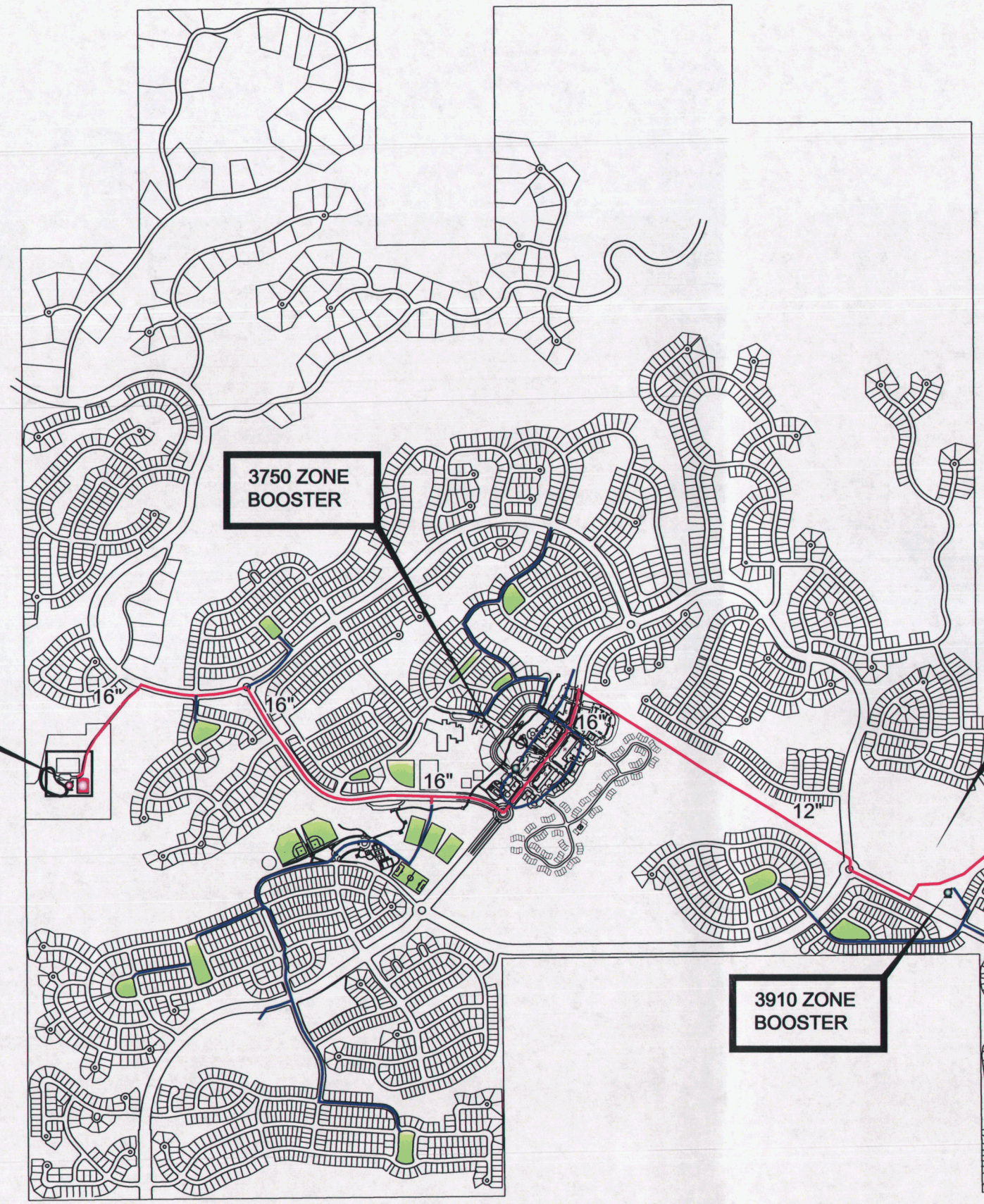

RECLAMATION FACILITY
1.7 MGD ULTIMATE
(2800 GPM 3960 ZONE BOOSTER STATION)
0.4 MGD PHASE I
(600 GPM 3960 ZONE BOOSTER STATION)
0.8 MG RESERVOIR

N
W E
S

0' 1500'
SCALE: 1" = 1500'

LEGEND

- RECLAIMED DISTRIBUTION MAIN (BY WILLOW SPRINGS UTILITIES)
- RECLAIMED DISTRIBUTION MAIN (BY HOME OWNER'S ASSOCIATION)
- RECLAIMED BOOSTER STATION
- RECLAIMED RESERVOIR

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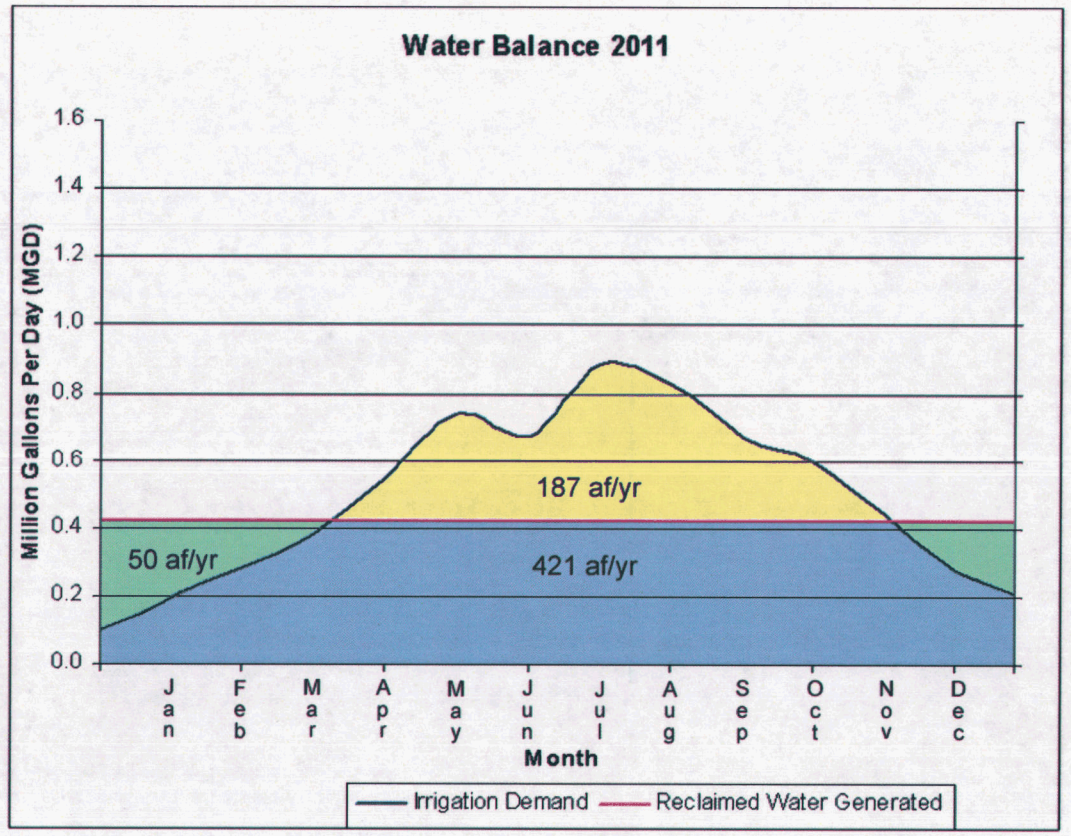
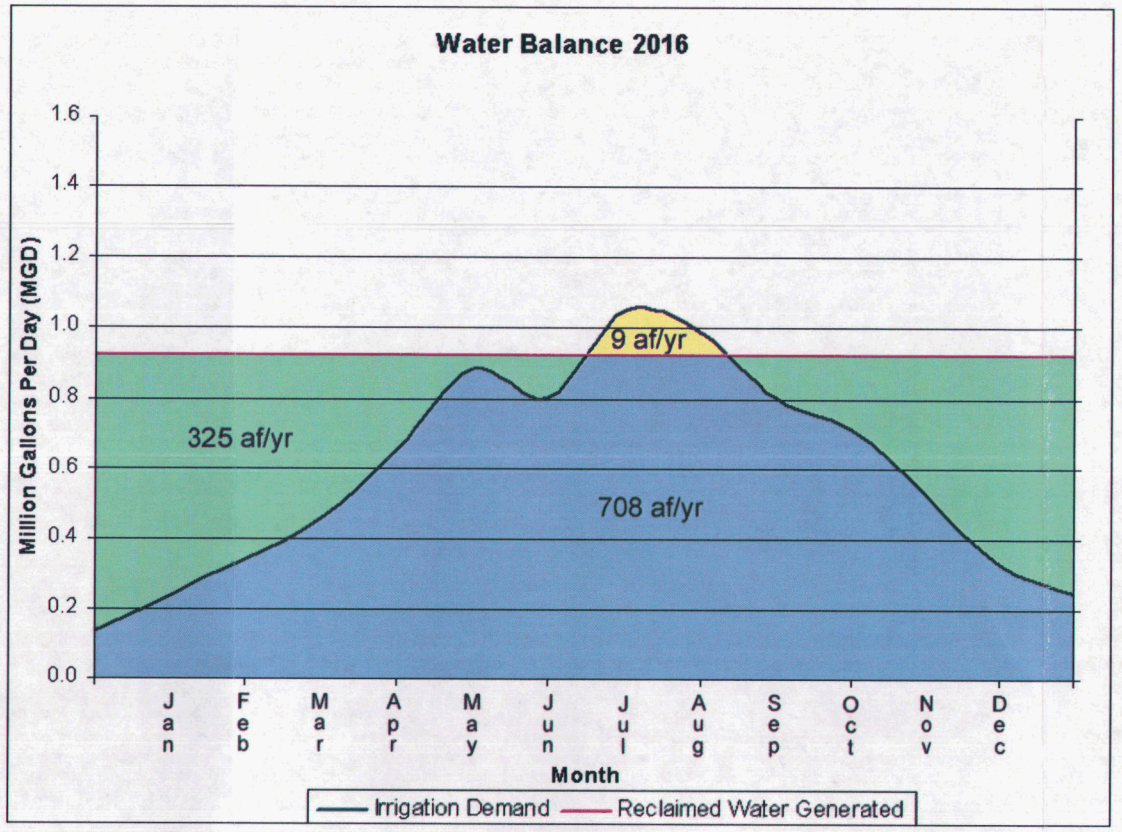
WILLOW SPRINGS

RECLAIMED WATER MASTER PLAN - OVERALL

Figure 3

Using the irrigation demands and wastewater generation estimates, a water balance spreadsheet was created to determine discharge and storage needs during the winter months and potable water requirements during the summer months. Evaporation rates were used to determine annual irrigation evaporation rates, which provided a method for determining additional irrigation water use during peak summer months. Figure 4 is a graphical representation of the annual reclaimed water balance for each five-year increment in the proposed 20-year buildout. This figure shows in year 5 (2011) approximately 170,000 gallons per day (gpd), or an equivalent 187 acre feet per year (af/yr), of potable water will be required to meet proposed irrigation demands during the summer months and 40,000 gpd (50 af/yr) of reclaimed water will need to be discharged during the winter months. In year 10 (2016), the amount of potable water required is reduced to 10,000 gpd (9 af/yr) and excess reclaimed water is increased to 290,000 gpd (325 af/yr). In year 15 (2021), there is no longer a potable water requirement to meet proposed irrigation needs and excess reclaimed water is increased to 500,000 gpd (561 af/yr). By year 20 (2026), the excess reclaimed water for disposal is estimated to be 630,000 gpd (710 af/yr).





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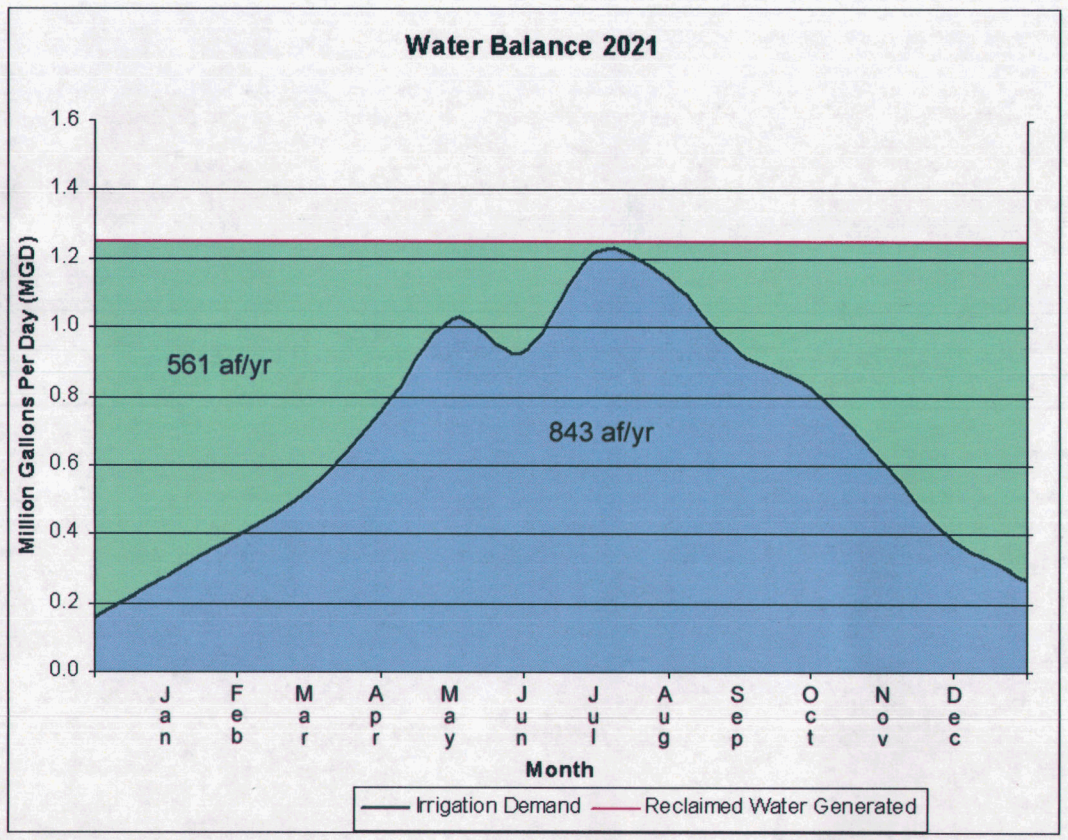
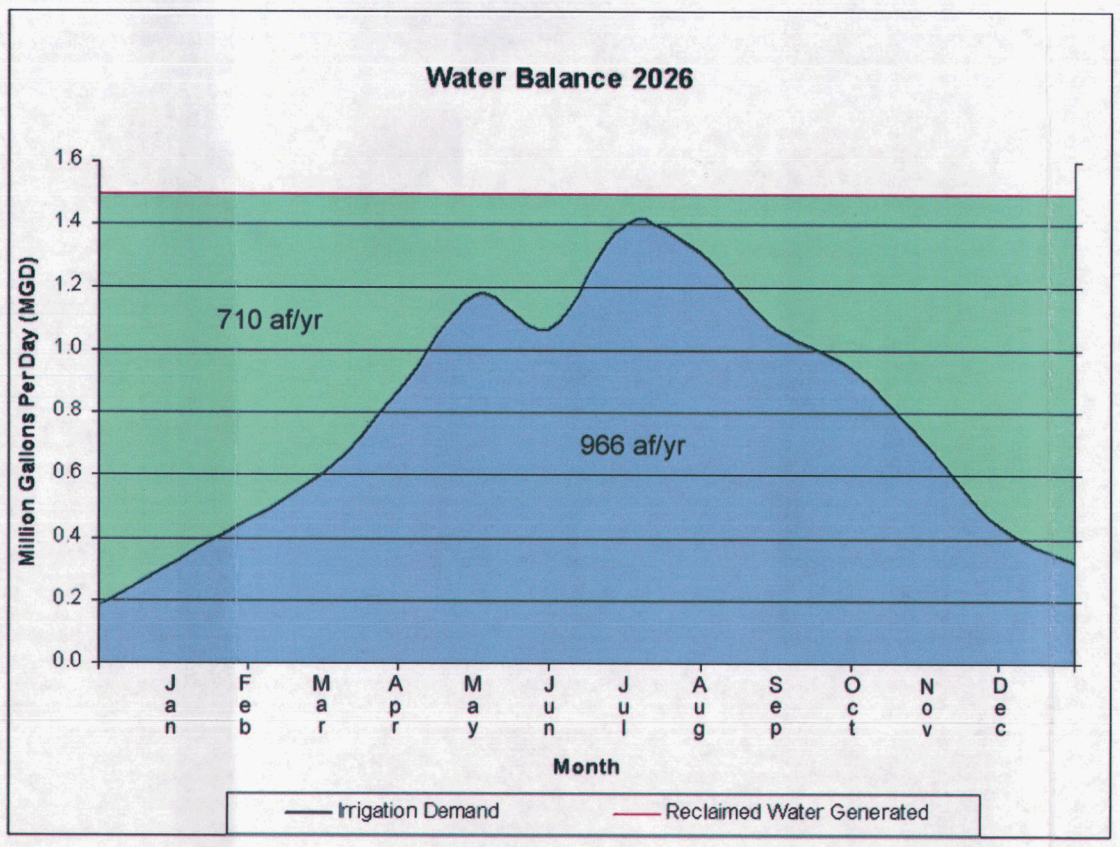
Well Water for Irrigation

Reclaimed Water to Recharge

Reclaimed Water Sold





WILLOW SPRINGS

WATER BALANCE ANALYSIS RESULTS

Figure 4

SECTION 7 – RECLAIMED WATER SYSTEM INFRASTRUCTURE REQUIREMENTS

Willow Springs reclaimed water system infrastructure consists of pipelines, booster stations, and storage and/or discharge facilities. The reclaimed water system is operated based on three zones, 3690, 3750, and 3910 Zones. The booster station located at the wastewater treatment plant will pump from an onsite Phase I storage reservoir (0.8 MG) to the 3690 Zone. An additional 0.8 MG storage tank will be built for buildout for a combined total of 1.6 MG. The 3690 Zone provides reclaimed water to the golf course, low water use arterial roads rights of way, turf demands, and wash disposal facility. The 3690 Zone booster will be owned and operated by the utility company. There will be two, inline variable frequency drive, booster stations to serve turf demands and low water use arterial road rights of way in the 3750 and 3910 Zones. The inline boosters will be owned and operated by the home owners associations. The three proposed Willow Springs reclaimed pressure zones are shown in Table 4.

Table 4 Willow Springs Reclaimed Zone Boundaries

Zone	High Water (ft)	Boundaries (ft)	Static Pressure (psi)
3,690 (Utility)	3,690	3,490-3,690	87-0
3,750 (HOA- Private)	3,750	3,525-3,690	97-26
3,910 (HOA- Private)	9,910	3,590-3,865	140-20

The 3690 Zone effluent booster pumps are provided with the reclamation plant and will need to be designed to provide specific flow and head requirements. The 3690 Zone booster pumps shall have a capacity of approximately 600 gpm for Phase 1 and will be upgraded to 2,800 gpm for buildout.

Pipelines are designed to minimize friction losses. Pipelines were designed with a maximum friction head loss for lines up to and including 8 inches in size, of 8 feet per 1,000 feet or less. For lines between 8 and 10 inches in size, the maximum friction head loss per 1,000 feet is 5 feet or less. For lines between 12 inches and larger in size, the maximum friction head loss per 1,000 feet is 4 feet or less. Pipeline sizing is shown on Figure 3 for the overall system and Figure 5 for Phase 1. Disposal facility sizing will be based upon further soil, vegetation, and recharge studies.

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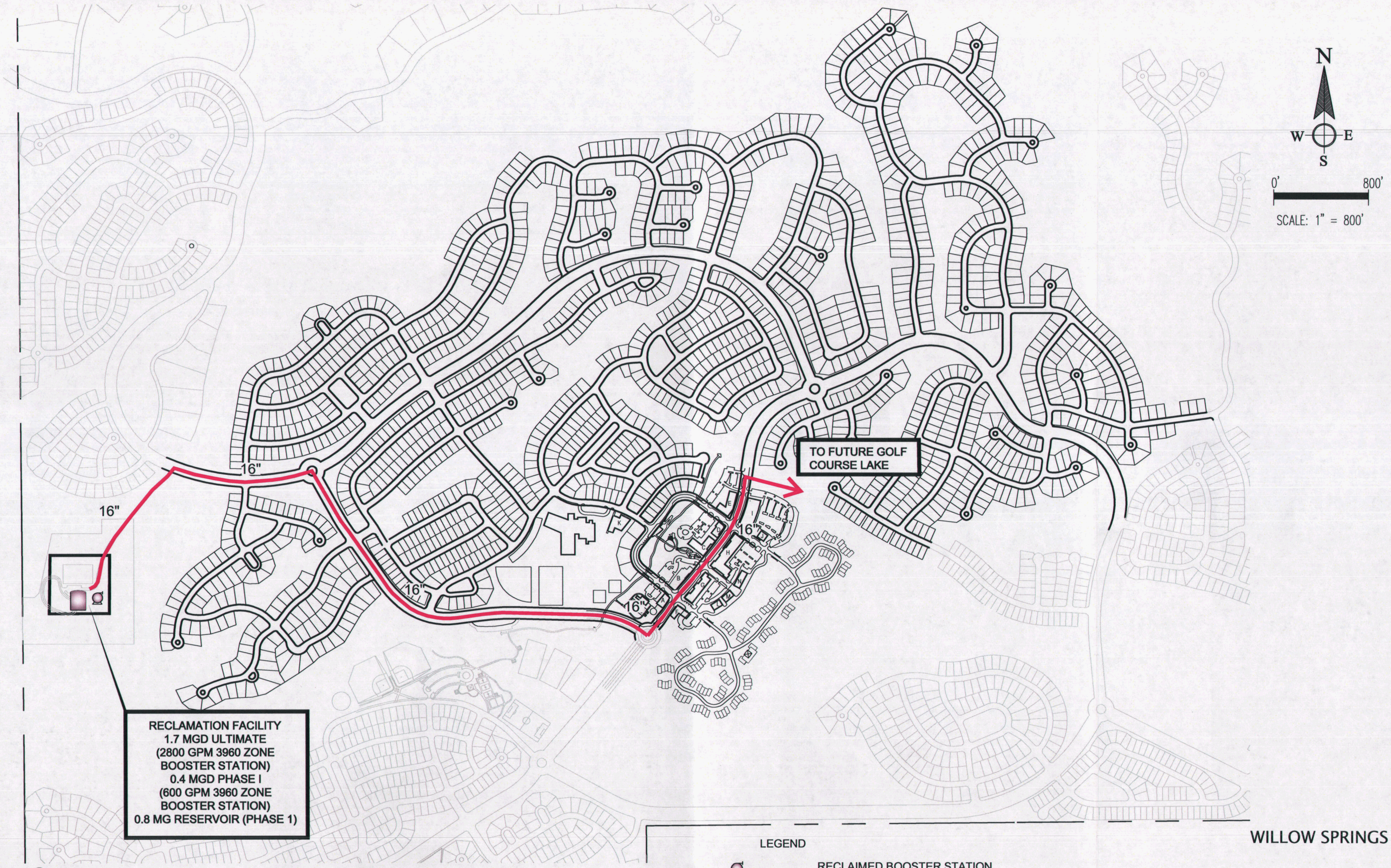

WILLOW SPRINGS

RECLAIMED WATER MASTER PLAN – PHASE I

Figure 5

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APPENDIX A

SEWER BASIN FLOWS TABLE

Willow Springs Sewer Basin Study
Sewer Basin Flows Table

Design Criteria

	SF Residential Occupancy	2.7	Per/DU	AR Residential Occupancy	1.8	Per/DU					
Residential	Average Daily Flow	85.0	GCPD								
School	Average Daily Flow	20	GPSD								
	Mixed Use Average Daily Flow	800	GPAD				Commercial Town Center Average Daily Flow	800	GPAD	Clubhouse Retreat / Recreation Average Daily Flow	1200	GPAD
				Non-Residential Peak Factor	3						
	Wet Weather Infiltration	250	GPAD								
	Manning's n	0.013									

Lot #	Sewer Basin	Concentration Point	Sewered Area (AC)	Residential DU	Acres Non-Residential	Population	ADWF (MGD)	Residential Peak Factor	Basin PDWF (MGD)	Storm Inflow (MGD)	Basin PWWF (MGD)	Accum Pop	Peak Factor	**Accum PDWF (MGD)**	Accum Storm Inflow	**Accum PWWF (MGD)**	Line Size (in)	Minimum Slope (%)	Capacity	Excess Capacity	d/D = 0.75 capacity	Excess Capacity
N5-V1-5	A	1	379	713	0	1925	0.15	2.22	0.35	0.09	0.46	1925	2.22	**0.35**	0.09	**0.46**	8	0.40	0.50	0.13	0.45	0.09
N2-V2-12	B		223.7	776	26.3	1397	0.15	2.31	0.36	0.06	0.42	3322	2.07	**0.67**	0.15	**0.82**	12	0.25	1.15	0.48	1.05	0.38
N2-V4-5	B	2	170.3	688	0	1238	0.11	2.34	0.25	0.04	0.29	1236	2.34	**0.25**	0.04	**0.29**	8	0.4	0.50	0.25	0.45	0.20
										Lift Station	214	gpm									
	A+B	3										3322	2.07	**0.98**		**1.13**	12	0.25	1.15	0.18	1.05	0.07
N2-V13-14, N3-V5-7	C		193	532	0	1088	0.09	3.2	0.30	0.05	0.34	1088	2.37	**0.22**	0.05	**0.27**	8	0.40	0.50	0.28	0.45	0.23
	B + C	4										4410	2.01	**1.15**	0.20	**1.35**	15	0.20	1.87	0.72	1.70	0.55
N1-V1-7, N2-V1, N2-V15, N3-V2-5, N3-V8	E	5	675.8	2049	52.6	5186	0.49	1.97	1.02	0.17	1.18	9596	1.85	**2.05**	0.24	**2.29**	18	0.15	2.64	0.59	2.39	0.34
N1-V10-15	D	6	290	729	22.3	1988	0.19	2.21	0.45	0.07	0.52	1968	2.21	**0.45**	0.07	**0.52**	12	0.25	1.15	0.70	1.05	0.59
										Lift Station	392	gpm									
N1-V8-10	D		137	334	44.7	902	0.13	2.42	0.35	0.03	0.38	902	2.42	0.35	0.03	**0.38**	12	0.25	1.15	0.81	1.05	0.70
														0.91		**0.95**	12	0.25	1.15	0.24	1.05	0.13
	B+C+D+E	7												**2.96**	0.24	**3.20**	21	0.11	3.41	0.44	3.08	0.12
N3-V1, N4-V1-5	F		426.3	167	55.7	451	0.11	2.68	0.30	0.11	0.41	451	2.68	**0.10**	0.11	**0.21**	8	0.40	0.50	0.39	0.45	0.35
										Lift Station	263	gpm									
N3-V1	F	8	92.6	230	0	621	0.05	2.55	0.13	0.02	0.16	621	2.55	**0.51**	0.13	**0.64**	12	0.25	1.15	0.64	1.05	0.53
N6-V1-5	G	9	338	282	0	761	0.06	2.48	0.16	0.08	0.25	761	2.48	**0.16**	0.08	**0.25**	8	0.40	0.50	0.33	0.45	0.29
Totals			2925.7	6500	201.6	15538	1.55															

APPENDIX B

RECLAIMED WATER BALANCE ANALYSIS

Willow Springs Buildout Schedule

		Generates Wastewater	
AR Housing	2236 units		
SF Housing	4264 units	*	Additonal 400 units unsewered or by separate treatment (not included in total)
Commercial/Town Center	42.8 acres	*	
Clubhouse/Retreat/Recreation	175 acres		
Schools	39.5 acres	*	
Golf Courses	1 course		
Turf	40 acres		
Low Water Use	235 acres		

				WASTEWATER FLOWS						TURF USES		
No.	Year	Units per Year	SF (units)	AR (units)	Clubhouse/ Recreation (acres)	Retreat (acres)	Commercial/ Town Center (acres)	School (acres)	Reclaimed Water Generated (af/yr)	Golf Courses (number)	Turf (acres)	Low Water Use (acres)
1	2007	307	300	0	5	0	0	0	80	0	2	20
2	2008	300	600	0	10	0	5	0	164	0	4	40
3	2009	400	800	200	15	0	10	0	257	0	6	60
4	2010	400	1000	400	20	0	15	21.3	378	1	8	70
5	2011	400	1200	600	25	0	20	21.3	471	1	10	80
6	2012	400	1400	800	30	0	25	21.3	564	1	12	90
7	2013	400	1600	1000	35	0	30	21.3	657	1	14	100
8	2014	400	1800	1200	45	0	35	39.5	776	1	16	110
9	2015	400	2000	1400	50	0	40	39.5	869	1	18	120
10	2016	400	2200	1600	55	56	42.8	39.5	1033	1	20	130
11	2017	400	2400	1800	60	56	42.8	39.5	1122	1	22	140
12	2018	400	2600	2000	64	56	42.8	39.5	1210	1	24	150
13	2019	400	2800	2200	64	56	42.8	39.5	1295	1	26	160
14	2020	236	3000	2236	64	56	42.8	39.5	1352	1	28	170
15	2021	200	3200	2236	64	56	42.8	39.5	1404	1	30	180
16	2022	200	3400	2236	64	56	42.8	39.5	1455	1	32	190
17	2023	200	3600	2236	64	56	42.8	39.5	1506	1	34	200
18	2024	200	3800	2236	64	56	42.8	39.5	1557	1	36	210
19	2025	200	4000	2236	64	56	42.8	39.5	1609	1	38	220
20	2026	264	4264	2236	64	56	42.8	39.5	1676	1	40	235

Table B2

Willow Springs Water Demands

Persons per Residence - Single Family	2.7	persons per housing unit
Persons per Residence - Active Retirement	1.8	persons per housing unit
Single Family Usage	110	gpcd
School/Retreat Domestic Usage	1500	gpad
Clubhouse/Recreational	750	gpad
Commercial/Town Center	1,000	gpad
Golf Course Usage	428.4	af/golf course
Turf Usage	4.6	af/acre
Low Water Use	1.3	af/acre
Lost and unaccounted for water - Domestic	7%	
Lost and unaccounted for water - Irrigation	5%	

			Domestic Demands						
Year Number	Year	Water Use (Units)	SF Demand (af/yr)	AR Demand (af/yr)	Commercial, Clubhouse, & Rec Demand (af/yr)	School/ Retreat Demand (af/yr)	Subtotal Domestic Demand (af/yr)	Lost and Unaccounted (af/yr)	Total Domestic Demand (af/yr)
1	2007	300	100	0	4	0	104	8	112
2	2008	600	200	0	14	0	214	16	230
3	2009	1000	266	44	24	0	334	25	359
4	2010	1400	333	89	34	36	491	37	528
5	2011	1800	399	133	43	36	612	46	658
6	2012	2200	466	177	53	36	732	55	787
7	2013	2600	532	222	63	36	853	64	917
8	2014	3000	599	266	77	66	1008	76	1084
9	2015	3400	665	311	87	66	1129	85	1214
10	2016	3800	732	355	94	160	1341	101	1442
11	2017	4200	798	399	98	160	1457	110	1566
12	2018	4600	865	444	102	160	1571	118	1689
13	2019	5000	932	488	102	160	1682	127	1808
14	2020	5236	998	496	102	160	1756	132	1888
15	2021	5436	1065	496	102	160	1823	137	1960
16	2022	5636	1131	496	102	160	1889	142	2032
17	2023	5836	1198	496	102	160	1956	147	2103
18	2024	6036	1264	496	102	160	2022	152	2175
19	2025	6236	1331	496	102	160	2089	157	2246
20	2026	6500	1419	496	102	160	2177	164	2341

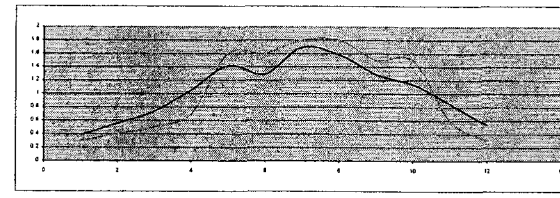
Irrigation Demands					
Golf Course Demand (af/yr)	Turf Demands (af/yr)	Low Water Use Demand (af/yr)	Subtotal Irrigation Demand (af/yr)	Lost and Unaccounted (af/yr)	Total Irrigation Demand (af/yr)
0	9	26	35	2	37
0	18	52	70	4	74
0	28	78	106	6	111
428	37	91	556	29	585
428	46	104	578	30	609
428	55	117	601	32	632
428	64	130	623	33	656
428	74	143	645	34	679
428	83	156	667	35	702
428	92	169	689	36	726
428	101	182	712	37	749
428	110	195	734	39	772
428	120	208	756	40	796
428	129	221	778	41	819
428	138	234	800	42	843
428	147	247	823	43	866
428	156	260	845	44	889
428	166	273	867	46	913
428	175	286	889	47	936
428	184	306	918	48	966

Total Demand (af/yr)	Construction Demand (af/yr)	Total Demand (af/yr)	GPCD
149	20	169	186
304	50	354	195
471	60	531	175
1113	60	1173	277
1266	70	1336	245
1420	70	1490	224
1573	70	1643	209
1763	70	1833	202
1916	70	1986	193
2168	70	2238	195
2315	70	2385	188
2461	70	2531	182
2604	70	2674	177
2708	70	2778	175
2803	70	2873	175
2897	30	2927	172
2992	10	3002	170
3087	10	3097	170
3182	10	3192	169
3307	10	3317	169

Willow Spings Mass Balance

Wastewater Percentage 77%

	month	evap mm/day	evap in/mo	Percent	af/golf course/yr	gallons/golf course/yr		
					428.4	382425		
						evap (gallons/mo.)		
	jan	2.1	2.5	3%	0.3	114,727	3,487,714	
	feb	3	3.5	4%	0.4	152,970	4,650,286	
	mar	4	4.7	6%	0.5	191,212	5,812,857	
	april	5.7	6.7	8%	0.7	267,697	8,138,000	
	may	7.7	9.1	11%	1.6	611,880	18,601,143	
	june	7	8.3	10%	1.6	611,880	18,601,143	
	july	9.2	10.9	14%	1.8	688,365	20,926,286	
	aug	8.6	10.2	13%	1.8	688,365	20,926,286	
	sept	7	8.3	10%	1.5	573,637	17,438,572	
	oct	6.2	7.3	9%	1.5	573,637	17,438,572	
	nov	4.6	5.4	7%	0.6	229,455	6,975,429	
	dec	2.9	3.4	4%	0.3	114,727	3,487,714	
			80.3	100%	12.6	4,818,553	146,484,002	449.6



Year Number	Year	Irrigation Water Demand (af/yr)	Reclaimed Water Generated (af/yr)	(af/mo)	(gpd)
1	2007	37	80	7	71,495
2	2008	74	164	14	146,639
3	2009	111	257	21	229,807
4	2010	585	378	31	337,376
5	2011	609	471	39	420,343
6	2012	632	564	47	503,311
7	2013	656	657	55	586,278
8	2014	679	776	65	693,154
9	2015	702	869	72	776,122
10	2016	726	1033	86	922,075
11	2017	749	1122	93	1,001,193
12	2018	772	1210	101	1,079,733
13	2019	796	1295	108	1,155,963
14	2020	819	1352	113	1,207,169
15	2021	843	1404	117	1,252,927
16	2022	866	1455	121	1,298,665
17	2023	889	1506	126	1,344,403
18	2024	913	1557	130	1,390,141
19	2025	936	1609	134	1,435,879
20	2026	966	1676	140	1,496,253

Year Number	Year	January	February	March	April	May	June	July Total Irrigation Required (af/mo)	August	September	October	November	December	January	TOTAL Total Irrigation Required (af/yr)
1	2007	1.1	1.6	2.2	3.1	4.2	3.8	5.0	4.7	3.8	3.4	2.5	1.6	1.1	37.1
2	2008	2.3	3.3	4.4	6.2	8.4	7.6	10.0	9.4	7.6	6.6	5.0	3.2	2.3	74.1
3	2009	3.4	4.9	6.5	9.3	12.6	11.4	15.0	14.1	11.4	10.1	7.5	4.7	3.4	111.2
4	2010	18.1	25.8	34.4	49.1	66.3	60.3	79.2	74.0	60.3	53.4	39.6	25.0	18.1	585.5
5	2011	18.8	26.9	35.8	51.0	68.9	62.7	82.4	77.0	62.7	55.5	41.2	26.0	18.8	608.8
6	2012	19.5	27.9	37.2	53.0	71.6	65.1	85.5	80.0	65.1	57.6	42.8	27.0	19.5	632.2
7	2013	20.2	28.9	38.6	55.0	74.2	67.5	88.7	82.9	67.5	59.8	44.3	28.0	20.2	655.6
8	2014	21.0	30.0	39.9	56.9	76.9	69.9	91.9	85.9	69.9	61.9	45.9	29.0	21.0	678.9
9	2015	21.7	31.0	41.3	58.9	79.5	72.3	95.0	88.8	72.3	64.0	47.5	30.0	21.7	702.3
10	2016	22.4	32.0	42.7	60.8	82.2	74.7	98.2	91.8	74.7	66.2	49.1	30.9	22.4	725.7
11	2017	23.1	33.0	44.1	62.8	84.8	77.1	101.3	94.7	77.1	68.3	50.7	31.9	23.1	749.1
12	2018	23.9	34.1	45.4	64.7	87.5	79.5	104.5	97.7	79.5	70.4	52.3	32.9	23.9	772.4
13	2019	24.6	35.1	46.8	66.7	90.1	81.9	107.7	100.6	81.9	72.6	53.8	33.9	24.6	795.8
14	2020	25.3	36.1	48.2	68.7	92.8	84.3	110.8	103.6	84.3	74.7	55.4	34.9	25.3	819.2
15	2021	26.0	37.2	49.6	70.6	95.4	86.7	114.0	106.6	86.7	76.8	57.0	35.9	26.0	842.5
16	2022	26.7	38.2	50.9	72.6	98.0	89.1	117.2	109.5	89.1	78.9	58.6	36.9	26.7	865.9
17	2023	27.5	39.2	52.3	74.5	100.7	91.5	120.3	112.5	91.5	81.1	60.2	37.9	27.5	889.3
18	2024	28.2	40.3	53.7	76.5	103.3	93.9	123.5	115.4	93.9	83.2	61.7	38.9	28.2	912.6
19	2025	28.9	41.3	55.1	78.5	106.0	96.4	126.6	118.4	96.4	85.3	63.3	39.9	28.9	936.0
20	2026	29.8	42.6	56.8	81.0	109.4	99.5	130.7	122.2	99.5	88.1	65.4	41.2	29.8	966.2

January	February	March	April	May	June	July Total Irrigation Required (MGD)	August	September	October	November	December	January	TOTAL Total Irrigation Required (MG/yr)
0.01	0.02	0.02	0.03	0.04	0.04	0.05	0.05	0.04	0.04	0.03	0.02	0.01	0.40
0.02	0.04	0.05	0.07	0.09	0.08	0.11	0.10	0.08	0.07	0.05	0.03	0.02	0.79
0.04	0.05	0.07	0.10	0.13	0.12	0.16	0.15	0.12	0.11	0.08	0.05	0.04	1.19
0.19	0.28	0.37	0.53	0.71	0.65	0.85	0.79	0.65	0.57	0.42	0.27	0.19	6.28
0.20	0.29	0.38	0.55	0.74	0.67	0.88	0.83	0.67	0.59	0.44	0.28	0.20	6.53
0.21	0.30	0.40	0.57	0.77	0.70	0.92	0.86	0.70	0.62	0.46	0.29	0.21	6.78
0.22	0.31	0.41	0.59	0.80	0.72	0.95	0.89	0.72	0.64	0.48	0.30	0.22	7.03
0.22	0.32	0.43	0.61	0.82	0.75	0.98	0.92	0.75	0.66	0.49	0.31	0.22	7.28
0.23	0.33	0.44	0.63	0.85	0.77	1.02	0.95	0.77	0.69	0.51	0.32	0.23	7.53
0.24	0.34	0.46	0.65	0.88	0.80	1.05	0.98	0.80	0.71	0.53	0.33	0.24	7.78
0.25	0.35	0.47	0.67	0.91	0.83	1.09	1.02	0.83	0.73	0.54	0.34	0.25	8.03
0.26	0.37	0.49	0.69	0.94	0.85	1.12	1.05	0.85	0.75	0.56	0.35	0.26	8.28
0.26	0.38	0.50	0.71	0.97	0.88	1.15	1.08	0.88	0.78	0.58	0.36	0.26	8.53
0.27	0.39	0.52	0.74	0.99	0.90	1.19	1.11	0.90	0.80	0.59	0.37	0.27	8.78
0.28	0.40	0.53	0.76	1.02	0.93	1.22	1.14	0.93	0.82	0.61	0.39	0.28	9.03
0.29	0.41	0.55	0.78	1.05	0.96	1.26	1.17	0.96	0.85	0.63	0.40	0.29	9.28
0.29	0.42	0.56	0.80	1.08	0.98	1.29	1.21	0.98	0.87	0.64	0.41	0.29	9.53
0.30	0.43	0.58	0.82	1.11	1.01	1.32	1.24	1.01	0.89	0.66	0.42	0.30	9.78
0.31	0.44	0.59	0.84	1.14	1.03	1.36	1.27	1.03	0.91	0.68	0.43	0.31	10.03
0.32	0.46	0.61	0.87	1.17	1.07	1.40	1.31	1.07	0.94	0.70	0.44	0.32	10.36

Year Number	Year	January	February	March	April	May	June	July Potable Water Required (af/mo)	August	September	October	November	December	January
1	2007	-5.5	-5.0	-4.5	-3.6	-2.5	-2.9	-1.7	-2.0	-2.9	-3.3	-4.2	-5.1	-5.5
2	2008	-11.4	-10.4	-9.3	-7.5	-5.3	-6.1	-3.7	-4.3	-6.1	-7.0	-8.7	-10.5	-11.4
3	2009	-18.0	-16.5	-14.9	-12.1	-8.9	-10.0	-6.4	-7.4	-10.0	-11.3	-13.9	-16.7	-18.0
4	2010	-13.4	-5.7	2.9	17.6	34.8	28.8	47.7	42.6	28.8	21.9	8.1	-6.5	-13.4
5	2011	-20.4	-12.4	-3.4	11.6	29.7	23.4	43.1	37.8	23.4	16.3	1.9	-13.3	-20.4
6	2012	-27.5	-19.1	-9.8	6.0	24.6	18.1	38.5	33.0	18.1	10.7	-4.2	-20.0	-27.5
7	2013	-34.5	-25.8	-16.2	0.2	19.5	12.8	34.0	28.2	12.8	5.0	-10.4	-26.8	-34.5
8	2014	-43.7	-34.8	-24.8	-7.8	12.2	5.2	27.2	21.2	5.2	-2.8	-18.8	-35.8	-43.7
9	2015	-50.8	-41.5	-31.1	-13.6	7.1	-0.2	22.6	16.4	-0.2	-8.4	-24.9	-42.5	-50.8
10	2016	-63.7	-54.1	-43.4	-25.2	-3.9	-11.4	12.1	5.7	-11.4	-19.9	-37.0	-55.1	-63.7
11	2017	-70.3	-60.4	-49.4	-30.7	-8.8	-16.4	7.9	1.3	-16.4	-25.2	-42.8	-61.5	-70.3
12	2018	-76.9	-66.7	-55.4	-36.0	-13.3	-21.3	3.7	-3.1	-21.3	-30.4	-48.5	-67.9	-76.9
13	2019	-83.3	-72.8	-61.1	-41.2	-17.8	-26.0	-0.2	-7.3	-26.0	-35.4	-54.1	-74.0	-83.3
14	2020	-87.4	-76.6	-64.5	-44.0	-19.9	-28.4	-1.9	-9.1	-28.4	-38.0	-57.3	-77.8	-87.4
15	2021	-90.9	-79.8	-67.4	-46.3	-21.6	-30.2	-3.0	-10.4	-30.2	-40.1	-60.0	-81.0	-90.9
16	2022	-94.5	-83.0	-70.3	-48.7	-23.2	-32.1	-4.1	-11.7	-32.1	-42.3	-62.7	-84.3	-94.5
17	2023	-98.0	-86.3	-73.2	-51.0	-24.8	-34.0	-5.2	-13.0	-34.0	-44.4	-65.3	-87.6	-98.0
18	2024	-101.6	-89.5	-76.1	-53.3	-26.4	-35.8	-6.3	-14.4	-35.8	-46.6	-68.0	-90.9	-101.6
19	2025	-105.1	-92.7	-79.0	-55.6	-28.1	-37.7	-7.4	-15.7	-37.7	-48.7	-70.7	-94.1	-105.1
20	2026	-109.8	-97.1	-82.6	-58.7	-30.3	-40.2	-9.0	-17.5	-40.2	-51.6	-74.3	-98.5	-109.8

A Potable Water Required (af/yr)	B Excess Reclaimed To River (af/yr)	C Reclaimed Water Sold (af/yr)	Percent Reclaimed Used (af/yr)
187	50	421	89%
9.1	325.0	708	69%
0.0	561.0	843	60%
0.0	709.8	966	58%

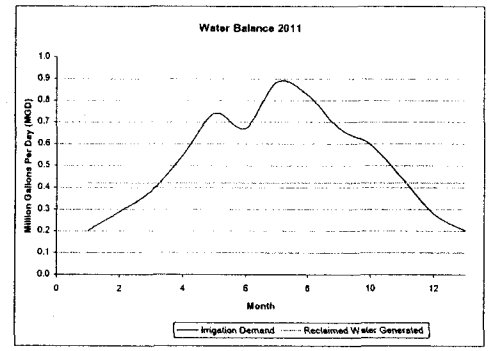
January	February	March	April	May	June	July Potable Water Required (gpd)	August	September	October	November	December	TOTAL Potable Water Required (gal/yr)
-59,230	-53,974	-48,134	-38,205	-26,525	-30,613	-17,785	-21,269	-30,613	-35,285	-44,630	-54,558	-59,230
-122,310	-111,798	-100,116	-80,261	-56,900	-65,077	-39,380	-46,388	-65,077	-74,421	-93,109	-112,966	-122,310
-193,013	-177,245	-159,724	-129,939	-94,898	-107,163	-68,618	-79,130	-107,163	-121,179	-149,212	-178,997	-193,013
-143,584	-60,531	31,750	188,629	373,192	308,595	511,614	456,245	308,595	234,769	87,119	-69,759	-143,584
-218,817	-132,449	-36,484	126,656	318,585	251,410	462,533	404,954	251,410	174,638	21,095	-142,045	-218,817
-294,050	-204,366	-104,718	64,683	263,979	194,226	413,451	353,663	194,226	114,507	-44,930	-214,331	-294,050
-369,282	-276,284	-172,953	2,711	209,373	137,041	364,370	302,371	137,041	54,376	-110,954	-286,617	-369,282
-468,423	-372,110	-265,096	-83,171	130,859	55,948	291,380	227,172	55,948	-29,663	-200,887	-382,812	-468,423
-543,656	-444,028	-333,330	-145,143	76,252	-1,236	242,299	175,880	-1,236	-89,794	-266,911	-455,096	-543,656
-681,874	-578,931	-464,550	-270,102	-41,340	-121,407	130,232	61,603	-121,407	-212,912	-395,921	-590,370	-681,874
-753,257	-646,999	-528,935	-328,225	-92,096	-174,741	85,001	14,162	-174,741	-269,193	-458,096	-658,805	-753,257
-824,062	-714,489	-592,741	-385,770	-142,275	-227,498	40,347	-32,702	-227,498	-324,896	-519,693	-726,664	-824,062
-892,557	-779,669	-654,238	-441,005	-190,143	-277,945	-1,997	-77,255	-277,945	-378,290	-578,980	-792,212	-892,557
-936,049	-819,846	-690,732	-471,237	-213,008	-303,388	-19,337	-96,805	-303,388	-406,680	-613,263	-832,757	-936,049
-974,052	-854,534	-721,736	-495,980	-230,365	-323,343	-31,189	-110,867	-323,343	-429,582	-642,058	-867,814	-974,052
-1,012,055	-889,222	-752,741	-520,724	-247,762	-343,298	-43,040	-124,929	-343,298	-452,483	-670,853	-902,870	-1,012,055
-1,050,058	-923,910	-783,746	-545,467	-265,138	-363,253	-54,892	-138,990	-363,253	-475,385	-699,647	-937,927	-1,050,058
-1,088,061	-958,598	-814,751	-570,210	-282,515	-383,208	-66,744	-153,052	-383,208	-498,286	-728,442	-972,983	-1,088,061
-1,126,064	-993,287	-845,756	-594,953	-299,892	-403,163	-78,595	-167,114	-403,163	-521,188	-757,237	-1,008,040	-1,126,064
-1,176,439	-1,039,375	-887,083	-628,186	-323,600	-430,205	-95,162	-186,537	-430,205	-552,039	-795,707	-1,054,805	-1,176,439

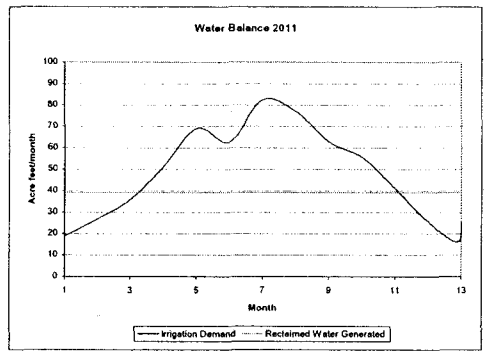
Year Number	Year	January	February	March	April	May	June	July Reclaimed Water Generated (af/mo)	August	September	October	November	December	January	TOTAL Total Reclaimed Water Generated (af/yr)
5	2011	39	39	39	39	39	39	39	39	39	39	39	39	39	471
10	2016	86	86	88	86	86	86	86	86	86	86	86	86	86	1033
15	2021	117	117	117	117	117	117	117	117	117	117	117	117	117	1404
20	2026	140	140	140	140	140	140	140	140	140	140	140	140	140	1676

Year Number	Year	January	February	March	April	May	June	July Reclaimed Water Generated (MGD)	August	September	October	November	December	January	TOTAL Total Reclaimed Water Generated (MGD)
5	2,010	0	0	0	0	0	0	0	0	0	0	0	0	0	5
10	2,015	1	1	1	1	1	1	1	1	1	1	1	1	1	11
15	2,020	1	1	1	1	1	1	1	1	1	1	1	1	1	15
20	2,025	1	1	1	1	1	1	1	1	1	1	1	1	1	18

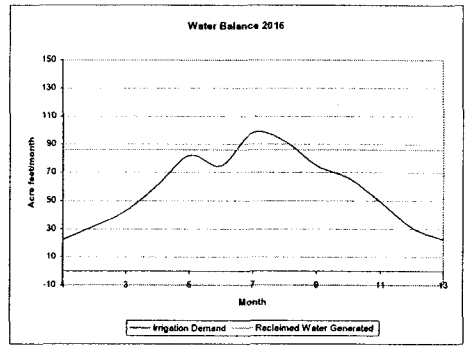
January	February	March	April	May	June	July Potable Water Required (g/mo)	August	September	October	November	December	TOTAL
-59,269	-54,013	-48,173	-38,245	-26,564	-30,652	-17,804	-21,308	-30,652	-35,325	-44,669	-54,597	-461,272
-122,391	-111,878	-100,198	-80,341	-56,981	-65,157	-39,460	-46,468	-65,157	-74,501	-93,190	-113,046	-968,770
-193,139	-177,371	-159,850	-130,065	-95,024	-107,289	-68,744	-79,256	-107,289	-121,305	-149,338	-179,123	-1,567,794
-143,769	-60,716	31,565	188,444	373,007	308,410	511,429	456,060	308,410	234,584	86,934	-69,944	2,224,412
-219,048	-132,679	-36,715	126,426	318,355	251,180	462,302	404,723	251,180	174,408	20,864	-142,276	1,478,720
-294,326	-204,642	-104,994	64,407	263,703	193,950	413,175	353,387	193,950	114,231	-45,206	-214,607	733,028
-369,604	-276,605	-173,274	2,389	209,052	136,720	364,049	302,050	136,720	54,055	-111,275	-286,939	-12,663
-468,803	-372,490	-265,476	-83,551	130,478	55,568	291,000	226,792	55,568	-30,043	-201,267	-383,192	-1,045,415
-544,081	-444,453	-333,755	-145,569	75,827	-1,662	241,874	175,455	-1,662	-90,220	-267,337	-455,523	-1,791,106
-682,380	-579,437	-465,056	-270,608	-41,845	-121,912	129,727	61,098	-121,912	-213,417	-396,427	-590,875	-3,293,045
-753,806	-647,548	-529,483	-328,774	-92,645	-175,290	84,452	13,613	-175,290	-269,742	-458,645	-659,354	-3,992,511
-824,654	-715,081	-593,333	-386,362	-142,867	-228,090	39,755	-33,293	-228,090	-325,488	-520,285	-727,296	-4,685,044
-893,191	-780,303	-654,872	-441,639	-190,777	-278,579	-2,630	-77,889	-278,579	-378,924	-579,613	-792,846	-5,349,842
-936,711	-820,508	-691,393	-471,899	-213,670	-304,050	-19,999	-97,467	-304,050	-407,342	-613,925	-833,419	-5,714,433
-974,739	-855,221	-722,423	-496,667	-231,072	-324,030	-31,876	-111,554	-324,030	-430,268	-642,745	-868,501	-6,013,126
-1,012,767	-889,934	-753,453	-521,436	-248,474	-344,010	-43,752	-125,641	-344,010	-453,195	-671,565	-903,582	-6,311,819
-1,050,795	-924,647	-784,483	-546,204	-265,875	-363,990	-55,629	-139,728	-363,990	-476,122	-700,385	-938,664	-6,610,512
-1,088,823	-959,361	-815,513	-570,972	-283,277	-383,970	-67,506	-153,814	-383,970	-499,048	-729,204	-973,745	-6,909,205
-1,126,852	-994,074	-846,543	-595,740	-300,679	-403,950	-79,383	-167,901	-403,950	-521,975	-758,024	-1,008,827	-7,207,898
-1,177,259	-1,040,196	-887,903	-629,006	-324,421	-431,025	-95,982	-187,357	-431,025	-552,860	-796,528	-1,055,425	-7,608,987

January	February	March	April	May	June	July Potable Water Required (gpm)	August	September	October	November	December	TOTAL Potable Water Required (gal/yr)
-41	-37	-33	-27	-18	-21	-12	-15	-21	-25	-31	-38	-9,728
-85	-78	-70	-56	-40	-45	-27	-32	-45	-52	-65	-78	-20,431
-134	-123	-111	-90	-66	-74	-48	-55	-74	-84	-104	-124	-33,066
-100	-42	22	131	259	214	355	317	214	163	60	-48	47,007
-152	-92	-25	88	221	175	321	281	175	121	15	-99	31,276
-204	-142	-73	45	183	135	287	246	135	80	-31	-149	15,545
-256	-192	-120	2	145	95	253	210	95	38	-77	-199	-186
-325	-258	-184	-58	91	39	202	158	39	-21	-140	-266	-21,974
-378	-308	-231	-101	53	-1	168	122	-1	-62	-185	-316	-37,704
-474	-402	-323	-188	-29	-84	90	43	-84	-148	-275	-410	-69,392
-523	-449	-367	-228	-64	-121	59	10	-121	-187	-318	-456	-84,147
-572	-496	-412	-268	-99	-158	28	-23	-158	-226	-361	-505	-98,757
-620	-541	-454	-306	-132	-193	-1	-54	-193	-263	-402	-550	-112,781
-650	-569	-480	-327	-148	-211	-13	-67	-211	-282	-426	-578	-120,470
-676	-593	-501	-344	-160	-225	-22	-77	-225	-298	-446	-603	-126,770
-703	-618	-523	-362	-172	-238	-30	-87	-238	-314	-466	-627	-133,069
-729	-642	-544	-379	-184	-252	-38	-97	-252	-330	-486	-651	-139,369
-756	-666	-566	-396	-196	-266	-46	-106	-266	-346	-506	-676	-145,668
-782	-690	-587	-413	-208	-280	-55	-116	-280	-362	-526	-700	-151,967
-817	-722	-616	-436	-225	-299	-66	-130	-299	-383	-553	-732	-160,426

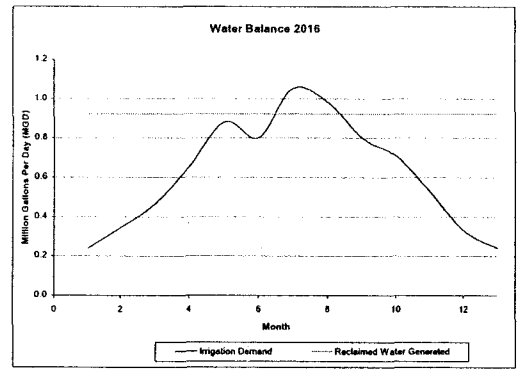


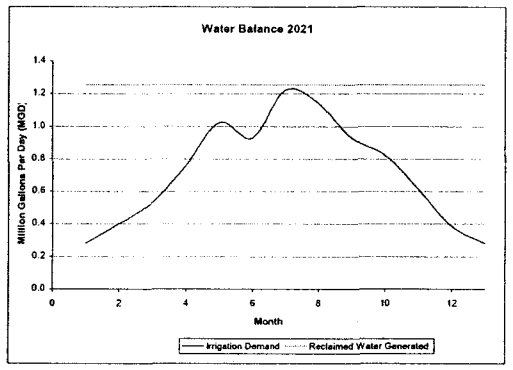


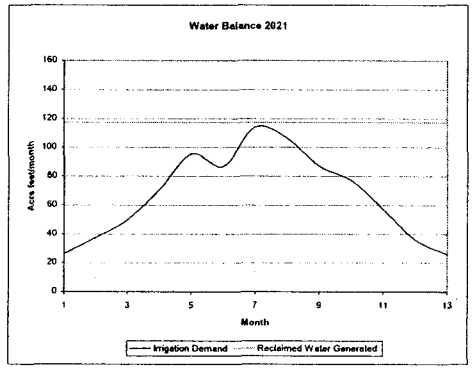
A	B	C
Potable Water for Irrigation (af/yr)	Reclaimed Water to Recharge (af/yr)	Reclaimed Water Sold (af/yr)
157	50	421
MGD	MGD	MGD
0.17	0.04	0.38



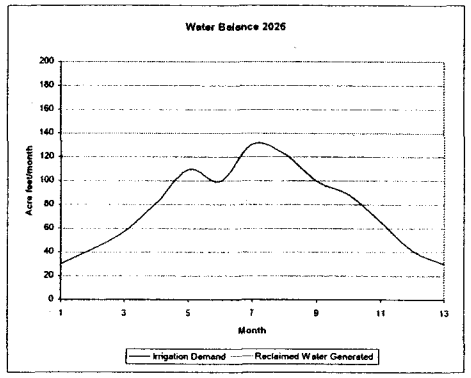
A	B	C
Potable Water for Irrigation (af/yr)	Reclaimed Water to Recharge (af/yr)	Reclaimed Water Sold (af/yr)
9	325	708
MGD	MGD	MGD
0.01	0.29	0.63



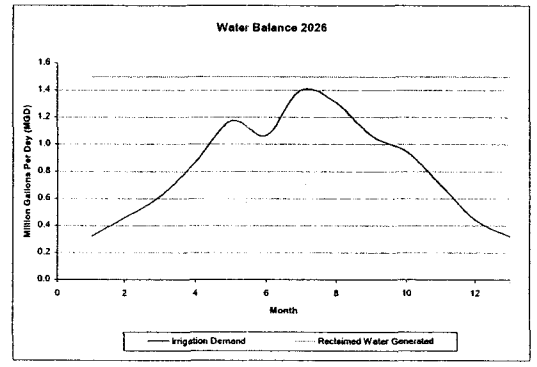




A	B	C
Potable Water for Irrigation (af/yr)	Reclaimed Water to Recharge (af/yr)	Reclaimed Water Sold (af/yr)
0	561	843
MGD	MGD	MGD
0.00	0.50	0.75



A	B	C
Potable Water for Irrigation (af/yr)	Reclaimed Water to Recharge (af/yr)	Reclaimed Water Sold (af/yr)
0	710	966
MGD	MGD	MGD
0.00	0.63	0.86



Well Capacity 800 gpm

Year Number	Year	Peak Potable/ Construction Demand (gpm)	Peak Irrigation Demand (gpm)	Peak Daily Demand (gpm)	Number of Wells
1	2007	163	0	163	1
2	2008	347	0	347	1
3	2009	520	0	520	2
4	2010	729	355	1,084	2
5	2011	902	321	1,223	3
6	2012	1,063	287	1,350	3
7	2013	1,224	253	1,477	3
8	2014	1,431	202	1,634	3
9	2015	1,592	168	1,760	3
10	2016	1,875	90	1,966	3
11	2017	2,029	59	2,088	4
12	2018	2,181	28	2,209	4
13	2019	2,329	0	2,329	4
14	2020	2,428	0	2,428	4
15	2021	2,517	0	2,517	4
16	2022	2,556	0	2,556	4
17	2023	2,620	0	2,620	4
18	2024	2,709	0	2,709	4
19	2025	2,797	0	2,797	4
20	2026	2,914	0	2,914	5

WILLOW SPRINGS UTILITIES, L.L.C.

DOCKET NO. W-_____

TARIFF

Issued _____ Effective _____

ISSUED BY:

Kevin Tarbox, General Manager
Willow Springs Utilities, L.L.C.
1600 East Hanley Blvd., Suite 128
Oro Valley, Arizona 85737

96005.00000.10

TAB E

WILLOW SPRINGS UTILITIES, L.L.C.

DOCKET NO. W-_____

TABLE OF CONTENTS

Issued _____ Effective _____

ISSUED BY:

Kevin Tarbox, General Manager
Willow Springs Utilities, L.L.C.
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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

I. RATES

In Opinion and Order No. _____, dated _____, 2006, the Commission approved the following rates and charges to become effective _____, 2006.

Meter Size Inches	Usage Included in Minimum Charge Gallons	Minimum Charge Per Month
A. General Residential, Commercial, Industrial, and Irrigation Service		
5/8" x 3/4" Meter	-0-	$____
3/4" Meter	-0-	$____
1" Meter	-0-	$____
1 1/2" Meter	-0-	$____
2" Meter	-0-	$____
4" Meter	-0-	$____
6" Meter	-0-	$____

The rate for use in addition to the minimum stated above shall be the same for all sizes of meters. Additional usage shall be at the following rate per 1,000 gallons:

Consumption	Rate
0-7,000	$_.__
over 7,000	$_.__

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

B. Construction Water[1]

	Usage Included in Minimum Charge	Minimum Charge
	Gallons	Per Month
2" Hydrant Meter[2]	-0-	$___.00

The rate for use in addition to the minimum stated above shall be at the rate of $_.__ per 1,000 gallons.

HYDRANT RELOCATION:

When a Construction Meter is relocated to another hydrant or agreed upon location at the request of the Customer, there shall be a $__.__ charge.

[1] Construction water service shall be provided as an "as available" basis and is subject to interruption if such service would adversely impact on the water systems operation.
[2] Hydrant meters shall have a non-interest bearing deposit of $_,___.00, refundable upon return of meter in good condition and payment of final bill.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

C. Make-Up Water

The Company's Water Division shall provide water to the Company's Wastewater Division as Make-Up Water for wastewater plant operations and/or to supplement the Effluent requirements of the Wastewater Division. All Make-Up Water shall be provided at the following rate:

Minimum: No charge

Per 1,000 Gallons $_.__

ISSUED BY:

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

III. ADDITIONAL CHARGES[3]

A.	Establishment of Service Per Rule R14-2-403D (new customer charge, in addition to E, L and M below)	$ __.00
	1. If after hours	$ __.00
B.	Re-establishment of Service Per Rule R14-2-403D (same customer, same location within 12 months)	Note[4]
C.	Reconnection of Service Per Rule R14-2-403D	$ __.00
	1. If after hours	$ __.00
D.	Charge for Moving Meter at Customer Request Per Rule R14-2-405B	Cost[5]

[3] Additional charges authorized in Paragraph III A, B, C, H, I and J shall not be duplicated for dual service customers.
[4] Number of months off system times the monthly minimum.
[5] See Sheet No. 9.

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

E.	Minimum Deposit Requirement Per Rule R14-2-403B	
	1. Residential customer	(2 times estimated average monthly bill)
	2. Non residential customer	(2-1/2 times estimated maximum monthly bill)
	3. Deposit Interest (per annum)	3.0%
F.	Meter test per Rule, If correct Per Rule R14-2-408F	$__.00 plus cost of test
G.	Meter Reread Per Rule R14-2-408C	$ __.00
H.	Charge for NSF Check Per Rule R14-2-409F	$ __.00
I.	Deferred Payment Finance Charge Per month	1.5%

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

J.	Late Payment Charge Per Month	See Notes[6] [7] [8]

[6] Greater of $5.00 or 1.5% of unpaid balance.

[7] Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

[8] This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

K. Meter Advance Policy [9]

	Advance [10]
5/8" x 3/4" Meter	$___.00
3/4" Meter	$___.00
1" Meter	$___.00
1 1/2" Meter	$___.00
2" Meter	$_,___.00
4" Meter	$_,___.00
6" Meter	$_,___.00

L. Main Extension Tariff Per Rule R14-2-406B — Cost[11] [12]

[9] The customer shall be the owner of and be responsible for the design, installation, maintenance and operation of the Service Line on the customer's side of the water meter.
[10] Plus county permit charges. Permit charges are non-refundable.
[11] Per Sheet No. 9.
[12] Agreements provide for a 5% Refund for a 20 year period.

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Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For services that are provided by the Company at costs, cost shall include labor, materials, other charges incurred, and overhead not to exceed 10%. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.

C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.

D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

I. CROSS-CONNECTION CONTROL

A. Purpose.

The purpose or this tariff is to protect Willow Springs Utilities, L.L.C. ("Company") water supply in the Company's water system from the possibility of contamination of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-115.

B. Requirements.

In compliance with the Rules and Regulations of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.

3. Subject to the provisions of A.A.C.R14-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.

4. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may suspend this requirement for a reasonable period of time.

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.

6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

a. assembly identification number and description;
b. location;
c. date(s) of test(s);
d. description of repairs and recommendations for repairs made by tester; and
e. tester's name and certificate number.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

7. In the event the backflow-prevention assembly does not function properly or fails any test and A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.

8. In the event the backflow-prevention assembly does not function properly or fails any test and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS

A. The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallon per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

III. CURTAILMENT PLAN FOR WILLOW SPRINGS UTILITIES, L.L.C.

ADEQ Public Water System Number: PWS I.D. #____

Willow Springs Utilities, L.L.C., ("Company") is authorized to curtail water service to all customers within its certificated area under the following terms and conditions listed in this tariff.

This curtailment shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

The Company shall notify its customers of this new tariff as part of its next regular schedule billing after the effective date of the tariff or no later than 60 (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment care of to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and

b. Company has identified issues such as steadily declining water table, an increased draw-down threatening pump operations, or poor water production creating a reasonable belief the Company will be unable to meet anticipated water demands in the system.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customer to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

Stage 4 Exists When:

a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

Restrictions: Under Stage 4, Company shall inform the customers of a **mandatory** restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

2. Company shall post at least two (2) signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivision served by the Company.

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Customers who fail to comply with cessation of outdoor use provisions will be given a written notice to end all outdoor use. Failure to comply with in two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply in an attempt to maintain the supply until a permanent solution has been implemented.

Applies to all **WATER** service areas

PART ONE

STATEMENT OF CHARGES
WATER SERVICE

IV. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

I. RATES

In Opinion and Order No. _____, dated _____, 2006, the Commission approved the following rates and charges to become effective with _____, 2006:

	Water Service Size		Minimum Charge
A.	General Residential Service		
	All Sizes		$__.00
B.	Commercial Service		
	All Sizes		$__.00
C.	Effluent Sales		
1.	All Sizes	On a per 1,000 gallon basis	$.__
2.	All Sized	On a per acre foot basis	$___.00

ISSUED BY:

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Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-608(D)(5).

ISSUED BY:

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Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

III. ADDITIONAL CHARGES[13]

A.	Establishment of Service per Rule R14-2-603D (new customer charge, in addition to D, I and J below)	$__.00[14]
	1. If after hours	__.00
B.	Re-establishment of Service per Rule R14-2-603D (same customer, same location within 12 months)	Note[15]
C.	Reconnection of Service Per Rule R14-2-603D	__.00
	1. If after hours	__.00

[13] Additional charges authorized in Paragraph III A, B, C, E, F and G shall not be duplicated for dual service customers.

[14] Initial monthly billing under PART THREE I to new wastewater service for homes under construction shall commence no sooner than 30, and no more than 60 days after the water meter is installed. Wastewater billing to new service at existing locations shall be pro-rated from the start of service.

[15] Number of months off system times the sum of the monthly minimum.

Applies to all **WASTEWATER** service areas

PART THREE

STATEMENT OF CHARGES
WASTEWATER SERVICE

D.	Deposit Requirement[16] per Rule R140-2-603B		
	1.	Residential customer	(2 times estimated average monthly bill)
	2.	Non-residential customer	(2-1/2 times estimated maximum monthly bill)
	3.	Deposit Interest	3.0%
E.	Charge for NSF Check per Rule R14-2-608E[17]		$__.00
F.	Deferred Payment Finance Charge, per month[18]		1.5%
G.	Late Payment, Per Month, per Rule R14-2-608F		See Notes[19] [20] [21]

[16] The Company does not normally require a deposit prior to the provision of service. However, if the service is not in the property owner's name, this deposit is required. Also in the event service is disconnected due to nonpayment, this deposit may be required.

[17] This charge shall not apply if wastewater service is paid with the same NSF check used to pay for water service for which a NSF fee is charged.

[18] Deferred payments for wastewater service are only available if established in connection with deferred payments for water service under PART ONE, III(I) of this tariff.

[19] Greater of $5.00 or 1.5% of the unpaid balances.

[20] This charge shall not apply if the customer has arranged for a Deferred Payment Plan.

[21] Bills for utility services are due and payable when rendered. Any payment not received within fifteen (15) days from the date the bill was rendered shall be considered delinquent and subject to the termination policy set forth in the Company's rate tariff. All Late Payment Charges shall be billed on the customer's next regularly scheduled billing. If the customer fails to pay the Late Payment Charge by the due date on the next billing, the customer will receive a ten (10) day termination notice. If the customer does not pay the Late Payment Charges by that date the service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or

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H.	Service Calls, per hour After hours only	$__.00[22]
I.	Service Lateral Connection Charge[23] Residential Commercial	 $___.00 Cost[24]
J.	Main Extension Tariff, per Rule R14-2-606B	Cost[25] [26]

service will be terminated. Service shall be terminated only for that service for which the customer is delinquent or is in violation of other Tariff or Rule provisions. All customers whose service is terminated for failure to pay the Late Payment Charges are subject to the Company's reconnection charges set forth in the Company's tariff.

[22] For service problem found to be on Customer's side of lot line. Company will not repair problem.

[23] The Company shall own the Service Lateral up to the Customer's property line. The Customer shall own the Service Lateral beyond that point. The Company shall maintain and operate the Service Lateral only from the connection to the main line in the street or right-of-way up to its interconnection with the Customer's Service Lateral at the edge of the right-of-way, beyond which maintenance is the Customer's responsibility

[24] Per Sheet No. 30.

[25] All Main Extensions shall be completed at cost per Sheet No. 27 and shall be non-refundable Contributions-in-Aid-of-Construction.

[26] Agreements provide for a 5% Refund for a 20 year period

ISSUED BY:

Kevin Tarbox, General Manager
Willow Springs Utilities, L.L.C.
1600 East Hanley Blvd., Suite 128
Oro Valley, Arizons 85737

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K. Off-Site Facilities Hook-up Fee-Wastewater

1. Applicable to: In addition to any other Arizona Corporation Commission approved charges and requirements for on-site facilities to be installed pursuant to main extension agreements, the following Off-site Facilities Hook-up Fee is applicable to all new service connections requiring a main extension agreement.

2. Purpose: To equitably apportion the costs of off-site wastewater facility development among all new service connections.

3. Definitions:

"Applicant" means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service connections.

"Company" means Willow Springs Utilities, L.L.C.

"Main extension agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of wastewater facilities to Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such wastewater facilities to Company.

"Off-site facilities" means treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenance necessary for proper operation, including engineering and design costs. Offsite facilities may also include lifts stations,

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force mains, trunk collection mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of applicant.

"Service Connection" means and includes all service connections for single-family residential or other uses, regardless of service lateral size.

4. Off-site Facilities Hook-up Fee: Each new service connection shall pay the total Off-site Facilities Hook-up Fee derived from the following table:

Water Meter Size	Total Fee
5/8 X 3/4"	$ 2,500.00
3/4"	3,750.00
1"	6,250.00
1 ½	6,250.00
2	20,000.00
3	40,000.00
4	62,500.00
6	125,000.00

5. Terms and Conditions:

A. Time of payment: In addition to the amounts to be advanced pursuant to a main extension agreement, the applicant for new wastewater services shall pay the Company the Off-site Facilities Hook-up Fee as determined by service lateral size and number of connections to be installed pursuant to the main extension agreement. Payment of the

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Off-site Facilities Hook-up Fee shall normally be made at the time of payment of the main extension agreement or prior to commencement of construction of the wastewater facilities to be installed by applicant pursuant to the main extension agreement. However, in the event a Developer requests the Company commit to service to units within a master planned development for which main extension agreements have not been executed as of the date of such commitment, then and in that event, the Company and Developer shall enter an agreement scheduling payment of hook-up fees to insure that the Company is able to complete construction of the required facilities prior to necessity for service to the Development.

B. Off-site Facilities Hook-up Fee Non-refundable: The base fee amounts collected by the Company pursuant to the Off-site Facilities Hook-up Fees shall be non-refundable advances in aid of construction.

C. Trust Account: All funds collected by the Company as Off-site Facilities Hook-up Fees shall be deposited into a separate interest bearing trust account and used solely for the purpose of paying for the costs of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the Off-site Facilities Hook-up Fee or the Off-site Facilities Hook-up Fee has been terminated by order of Arizona Corporation Commission, any funds

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remaining in the trust account shall be refunded. The manner of the refund shall be determined by the Commission at the time of refund becomes necessary.

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IV. PERMITTED COSTS

A. Costs shall be verified by invoice.

B. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.

C. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.

D. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.

E. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.

F. Permitted costs shall include any Federal, State or local taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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I. CUSTOMER DISCHARGE TO SYSTEM

A. Service Subject to Regulation

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal Statutes and Regulations. Those Regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

B. Waste Limitations

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

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C. Inspection and Right of Entry

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in an empty condition. Inspection will

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be required of said units prior to their being allowed to hookup to the wastewater system.

D. Termination of Water Service for Violation of Wastewater Rules and Regulations

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR or in any way creates a public health hazard or the likelihood of such a public health hazard. This termination authority does not apply to non-payment for water or wastewater services.

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II. RULES AND REGULATIONS

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

ON-SITE LINE EXTENSION AGREEMENT

FOR

DEVELOPER INSTALLED WATER FACILITIES

BETWEEN

WILLOW SPRINGS UTILITIES, L.L.C.

AND

_____

FOR

[SUBDIVISION]
PINAL COUNTY, ARIZONA

_____ __, 2005

96005.00000.8

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ON-SITE LINE EXTENSION AGREEMENT
FOR DEVELOPER INSTALLED WATER FACILITIES

THIS ON-SITE LINE EXTENSION AGREEMENT, entered into this ____ day of _____, 200__, by and between WILLOW SPRINGS UTILITIES, L.L.C. (hereinafter referred to as the "Company"), and _____, an Arizona corporation, or its successors and assigns (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide water utility service to [Subdivision] in Pinal County, Arizona (hereinafter called the "Development" and at times the "Property").

WITNESSETH:

WHEREAS, Company represents and warrants to Developer that it owns and operates a public service corporation and holds, or will hold, a Certificate of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission") and other permits and governmental approvals required which authorize it to serve the public with water service at the Development; and

WHEREAS, Developer is developing the Property within the area requested to be certificated to the Company, which Development is more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company has or will own and operate fully functional and permitted water production, storage, treatment, pressure and transmission facilities sufficient to serve the Development; and

WHEREAS, the Company does not presently have water distribution lines on the Property sufficient to serve the Development; and

WHEREAS, under such circumstances the Commission's Rules and Regulations permit the Company to require an Advance In Aid of Construction to provide such facilities; and

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

I. ON-SITE FACILITIES ADDITIONS; COST; PAYMENT; OFF-SITE FACILITIES; OTHER CHARGES; METER ADVANCES AND GROUNDWATER REPLENISHMENT DISTRICT

A. **On-Site Facilities Additions.** The Developer will construct, or cause to be constructed certain facilities that upon completion will be conveyed to the Company as an Advance. The engineering plans for those facilities are attached to this Agreement as **Attachment 2** hereto

and incorporated herein by this reference for all purposes (the "Facilities"). The estimated cost of those Facilities is detailed on **Attachment 3** hereto and incorporated herein by this reference for all purposes (the "Estimated On-Site Facilities Cost for Domestic and Fire Protection Services"). For any subsequent phase or parcel within the Development, the Company and Developer shall enter into a separate agreement in substantially the same form as this Agreement.

B. **Cost**. The cost of construction of the Facilities as more fully detailed in **Attachment 3**, is estimated to be [$141,378]. That estimate shall be adjusted to the amount of the invoices provided to the Company as required in Articles VI and VII. The Total Advance shall include applicable Engineering Review, Company Supervision, and Legal Fees, as hereinafter defined, plus applicable Income Taxes, as discussed in Paragraph VII.C., below.

C. **Payment.** Developer shall pay the Total Advance under this Agreement in accordance with Paragraphs VII B and C.

D. **Other Water Utility Charges.** In the event the Developer (or Developer's subcontractor(s) or assign(s)) require construction water for grading, site preparation, road work, dust control or any other construction related purpose, the Developer may contact the Company and request Construction Water Service pursuant to the Company's Tariff.

E. **Meter Advances and Wastewater Service.** In the event Developer requests that the Company set a meter at a specific service address during Developer's construction of improvements on that lot and prior to the occupancy of the premises, the Developer shall pay all of the Company's applicable Tariffed rates and charges for the establishment of that service. The Meter Advance paid to establish that service shall be refunded to the customer at that service address in accordance with the Commission's Rules and Regulations. In the event the Development will also receive wastewater service from the Company at that same address under a separate On-Site Line Extension Agreement, the Developer shall simultaneously request wastewater service from the Company and pay the Company's applicable Tariffed rates and charges for establishment and availability of that service, whether or not that service is continuously utilized.

II. SERVICE; APPLICABLE RATES

A. **Service.** Notwithstanding any reference to fire protection facilities contained in **Attachment 2** or **Attachment 3** hereto, the Facilities additions are being installed primarily for the purpose of providing domestic water service to the Development. However, under certain operating conditions, those Facilities may provide limited fire protection service to an appropriate fire protection agency. Company's obligation for service shall be as set by the stricter of AAC R14-2-407(C) and (D) or this Agreement. Company shall comply with such regulations and any other applicable law. Service will be provided in accordance with good utility practice.

B. **Applicable Rates**. It is mutually understood and agreed that the charges for water services to said Development shall be at the applicable rates of the Company which are currently on file with the Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. Permits and Licenses. Developer agrees to obtain at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of the Facilities on the Property under this Agreement or development of the subject Property and shall comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals for the Facilities shall be added to the amount of the refundable Advance In Aid Of Construction. The applicable health department Approval to Construct the Facilities shall be provided upon execution of the Agreement. The Approval of Construction shall be provided prior to the Company being obligated to provide service to the Development. The Company shall be responsible for obtaining all licenses, permits, certificates and approvals from public authorities which may be required under the Water Facilities Agreement and for all other facilities into which the Developer constructed Facilities will be intertied and connected. The Company shall thereafter be responsible for the construction and operation at its cost of all other water facilities necessary to serve the Development.

B. Easements and Deeds. In the event the Facilities identified in **Attachment 2** hereto are not within a dedicated public right-of-way or public utility easement, then and in that event, the Developer shall provide to the Company an easement in favor of the Company and in a form acceptable to the Company. Said easement shall be sufficient in size and scope for the construction, operation, maintenance and repair of the Facilities within that area. All rights of way, public and private easements shall be and remain free of all obstacles which may interfere with the Company's access, use, operation and maintenance of the Facilities. Said easement shall be recorded prior to the Company being obligated to provide service to the Development. In the event of any dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require the Developer to obtain at Developer's cost a survey from a registered land surveyor to verify the easement boundaries. Said survey shall only be required to the extent necessary to identify and locate the legal description or to resolve the dispute or discrepancy. All well, storage and booster pump sites, if any, shall be deeded to the Company by special warranty deed through a mutually acceptable title company in a form acceptable to the Company, free and clear of all liens and encumbrances, and with appropriate title insurance.

C. Title. All materials installed, Facilities constructed and equipment provided by Developer in connection with construction of the Facilities under this Agreement and the completed facilities as installed for which an Approval of Construction has been issued by the Arizona Department of Environmental Quality ("ADEQ") or the appropriate agency, and a copy of which has been delivered to the Company in accordance with Paragraph IVD., shall become the sole property of the Company. Full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company. However, Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens. The Company may confirm in writing the acceptance of title to the Facilities being placed in regular operation.

IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; PLANS AND SPECIFICATIONS; WORKMANSHIP, MATERIALS, EQUIPMENT AND MACHINERY; ACCEPTANCE; CONNECTING NEW FACILITIES; EXISTING UNDERGROUND FACILITIES RESPONSIBILITIES

A. Commencement of Performance and Time of Completion. It is estimated that the Developer will start the construction work to be performed under this Agreement in _____, 200__ and will complete the construction work to be performed under this Agreement in _____, 200__. Failure to meet those estimated dates shall in no way relieve the Developer or Company of any of their obligations under this Agreement.

B. Plans and Specifications. All plans, specifications and construction shall be in accordance with good utility practices and in accordance with all rules, regulations, specifications and requirements of the Company and all regulatory agencies, including but not limited to, the Commission, ADEQ and all local regulatory agencies having jurisdiction over water service and facilities. All of said plans and specifications shall have all requisite approvals in writing of all necessary agencies and the approval in writing of Company before construction is commenced. The Company's review and comments shall be provided to the Developer within 20 calendar days after submittal of the plans and specifications to the Company. The Company's approval of the plans and specifications shall be provided within 20 calendar days after final resubmittal of the plans and specifications incorporating the Company's comments. Plans and specifications as approved by Company and all applicable agencies for water facilities to be constructed hereunder will be incorporated herein by reference and made part of this Agreement.

C. Materials, Workmanship, Equipment and Machinery. All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the Company, all regulatory agencies having jurisdiction over water service and facilities, including but not limited to the Commission, ADEQ and all local regulatory agencies. Developer shall assign to the Company the warranties of its contractor(s) for the Facilities to be built pursuant to this Agreement, which warranties shall be no less than two (2) years. If the Developer constructs the Facilities itself, or the subcontractor's warranty is inadequate, the Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within two (2) years after the Company acknowledged Final Acceptance of such Facilities.

D. Acceptance. Operational Acceptance of the Facilities by the Company shall occur at the time the Developer has provided all of the following items to the Company as required by this Agreement: (i) all fees, costs and funds required under this Agreement; (ii) the Approval to Construct the Facilities; and (iii) recorded copies of all required Deeds and Easements. The Company shall assume operational responsibilities for the Facilities only after receipt of the above. Final Acceptance of the Facilities by the Company shall occur only after the Company receives all of the following as otherwise required by this Agreement: (i) all items required for Operational Acceptance; (ii) the Approval of Construction; (iii) all invoices; (iv) all lien waivers; (v) copies of all permits and licenses; (vi) all required evidences of title; and (vii)

the as-built" plans. If all documents for the Company's Final Acceptance are not received within sixty (60) days of the Operational Acceptance, the Company shall have no obligation to (i) set additional water meters within the Development; or (ii) make any refunds of the Advance pursuant to Paragraph VII, until such time as Developer has complied with these requirements.

E. Connecting New Facilities. The Facilities constructed pursuant to the Agreement shall not be connected to the Company's existing facilities, or operated, without the prior written approval of Company. In the event the Facilities require retesting, additional or subsequent purging and rechlorination after Operational Acceptance as hereinabove defined and prior to going into service, the Company may bill the Developer for all costs associated with those procedures.

F. Existing Underground Facilities Responsibility. Developer shall be responsible for complying with A.R.S. 40-360.21, et seq., and related local regulations, and will assume all costs and liabilities associated with (i) coordination with the owners or agents of all underground facilities within and adjacent to the Development regarding the location of such facilities, and (ii) construction near, or damage to, such underground facilities. Developer will conduct, or cause to be conducted, all excavation in a careful and prudent manner in its construction of all Facilities subject to this Agreement.

G. Additional Terms and Conditions. Any additional terms and conditions applicable to this Agreement are contained in **Attachment 4** attached hereto and incorporated herein by this reference for all purposes.

V. INSPECTION, TESTING AND CORRECTION OF DEFECTS; DAMAGE AFTER ACCEPTANCE; ADVISING SUBCONTRACTORS

A. Inspection, Testing and Correction of Defects. Developer shall comply with the inspection and testing requirements of the Company for the Facilities to be constructed hereunder. Said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall promptly notify the Company when Facilities under construction are ready for inspection and testing. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the Company's plans and specifications and all agreements between the parties within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and Holidays). In the event a requested inspection results in overtime or off-hour costs to the Company, then and in that event the Company's costs, including all overheads, shall be separately billed to the Developer.

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its various parts. The approval of work by any such inspector shall not relieve Developer from its

obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specification approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Amount of Advance pursuant to Paragraph VIIA. The Company specifically reserves the right to withhold approval and to forbid connection of the Facilities constructed pursuant to this Agreement to the Company's system unless such Facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

B. Damage after Acceptance. Developer acknowledges that it will perform certain non-utility construction within the Development subsequent to the Operational Acceptance of the Facilities by the Company. Therefore, the Developer hereby agrees to immediately repair or replace, consistent with the plans and specifications, any damage to the Facilities caused by the Developer, its subcontractors or unknown parties. In the event the damage is to a water main six inches in diameter or larger, Developer shall call the Company for an inspection as contemplated in Paragraph VA.

C. Advising Subcontractors. Developer agrees that prior to the start of any construction under this Agreement, Developer will advise all agents, employees, and subcontractors who performed physical work in the Development that Developer has certain obligations under this Agreement, specifically those regarding Permits, Invoices, Lien Waivers and Title to the Facilities pursuant to Paragraph VI, and Inspections, Repairs and Damage to the Facilities during and after construction pursuant to Paragraph V. Developer's obligation to advise its agents, employees and subcontractors of these matters shall not relieve Developer of its responsibilities for the above referenced items.

VI. APPROVAL OF CONSTRUCTION; INVOICES; LIENS; "AS-BUILT" PLANS; CONDITION PRECEDENT TO INITIAL SERVICE AND ANNUAL REFUNDS.

A. Approval of Construction. The Approval of Construction for the water Facilities that the Developer is obligated to obtain under Paragraph IIIA of this Agreement shall be delivered to the Company prior to the time the Company takes Operational Acceptance of the Facilities or is obligated to provide water or wastewater service to the Development.

B. Invoices. Developer agrees to furnish Company, within thirty (30) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed,

equipment provided, materials purchased and all else done for construction pursuant to this Agreement, evidencing the actual cost thereof.

C. Liens. Developer acknowledges its duty to obtain lien waivers from all entities providing labor, materials or services contemplated by this Agreement. Developer hereby irrevocably waives any rights it may now have or which it may acquire during the course of this Agreement to record liens against the Company or its property. Developer shall also pay, satisfy and discharge, or bond over all mechanics', materialmen's and other liens, and all claims, obligations and liabilities which may be asserted against the Company or its property by reason of the Developer's construction of the improvements to be constructed pursuant to this Agreement.

D. "As-Built" Plans. Developer agrees to furnish the Company, within thirty (30) days after completion of construction, "as-built" drawings showing the locations of all water mains, hydrants, valves, and service connections to all structures served from Facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible milar prints, and in a digital format (i.e. AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats. Red-lined construction drawings shall not be acceptable as "as-built" drawings.

E. Conditions Precedent to Initial Service and Annual Refunds. Developer acknowledges and agrees that the Company will not set a meter at any service address or provide service to any lot within the Development or make any annual refund of the Advance under Paragraph VII of this Agreement prior to the receipt of the documents required by Paragraph III.A, B and C, and Paragraphs VI.A, B, C and D hereof.

VII. AMOUNT OF ADVANCE; TIME OF PAYMENT; INCOME TAX; REFUND; TRANSFER; NOTICE

A. Amount of Advance. Based on the estimated cost contained in Paragraph IB, and subject to receiving invoices pursuant to Paragraph VIB, totaling at least the estimated cost and the income tax payable under Paragraph I.C, the Total Advance by the Developer shall be [$140,380]. Of the Total Advance, [$122,170] shall be refundable pursuant to this Paragraph VII. If the actual construction cost is less than the estimated Advance, the Advance shall be the lesser amount, to the extent supported by invoices provided pursuant to Paragraph VI.B. If the actual cost is more than the estimated Advance, the Advance shall be the greater amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If funds are advanced by the Developer for the construction by the Company, advances that are in excess of the actual construction cost, as well as advanced funds in excess of actual Engineering Review, Company Supervision and Legal Costs, will be refunded to the Developer within thirty (30) days of completion and acceptance of the construction.

B. Time of Payment. The payment of the Advance under this Agreement shall be as follows:

1. Upon execution of this Agreement, Developer shall advance the Engineering Review, and Company Supervision and Legal Costs Fee as set forth in **Attachment 3**. This portion of the Advance totals [$8,889].

2. Upon completion of the construction to be performed by the Developer, Developer shall provide the documentation required by Paragraphs III, IV, V, and VI of this Agreement.

C. Income Taxes. In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimate in **Attachment 3** is taxable income to the Company as of the date of this Agreement, or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement. These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph VII.D, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph VII.C. The income tax advance refunds shall be based on the annual refund amount under Paragraph VII.D, and computed at the same rate the advance was originally assessed.

D. Computation of Refund. Refunds of the Advance In Aid of Construction shall be made to the Developer by the Company on or before the 31st day of August of each year commencing with August of 200_, covering any refunds owing from water revenues received during the preceding July 1 to June 30 period. Any additional charge made by the Company based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal five percent (5%) of the total gross annual revenue from water sales to each bona fide customer in the Development for a period of twenty (20) years. Such annual payments shall continue to be made by the Company to Developer until such time as Developer receives full amount of the Advance or for a period of twenty (20) years, whichever occurs first. The twenty (20) year period described herein shall begin from the date of this Agreement, provided however, in the event the Developer has not provided all documentation required by Sections III and VI of this Agreement within ninety (90) days of the Operational Acceptance of the Facilities by the Company, then and in that event, refunds for the years before receipt of said documentation shall be irrevocably waived by the Developer, those funds shall become Contributions In Aid of Construction, and the ten year refund period shall not be extended beyond the original refund period. If the entire Advance has not been refunded to Developer at the end of such twenty (20) year period, the Company's obligation to make such refund payments shall cease and the portion of the Advance that was not so refunded shall become non-refundable, and shall be entered as a Contribution In Aid of Construction in the accounts of the Company.

E. Maximum Refund; Interest on Advance; Limitation on Revenues. The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on any amounts advanced. The Company shall

make no refunds from any revenue received from properties other than those located within the phase of the Development covered by this Agreement and contained within the area identified in **Attachment 1** to this Agreement.

F. Right to Off-Set. In the event the Developer breaches any monetary or other obligation of the Developer to the Company that is capable of remedy by payment of funds to the Company, whether that obligation is due pursuant to this Agreement or any other Agreement or Tariff between the Company and the Developer, then and in that event, the Company may off-set the refund of the Advance to the Developer under Paragraph VII of this Agreement to the extent and for the period of time necessary to satisfy the Developer's obligation. This right of off-set shall in no way limit or delay the Company's right to pursue any and all legal or equitable remedies otherwise available to the Company.

G. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Commission, of any portion of its water system, including the Facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph VII.D hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph VII.D of this Agreement.

H. Company's Right of First Refusal. Before selling or transferring the obligation of the Company under this Agreement to refund the Advance, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or persons which he may desire to accept. This provision shall not apply to Developer's assigning or pledging the Agreement in connection with any lender's requirements.

I. Notice. Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the Party to whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and addressed to the Party to whom notice is being provided as follows:

Company:

WILLOW SPRINGS UTILITIES, L.L.C.
Attn: Manager
1600 East Hanley Blvd., suite 128
Oro Valley, Arizona 85737

Developer:

_____

_____

Each Party shall promptly provide written notice to the other Party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

VIII. RISK; LIABILITY; INSURANCE

A. Risk. Developer shall carry on all work required hereunder at its own risk until the same is fully completed and accepted by the Company and will, in case of accident, destruction or injury to the work or material before such final completion and acceptance, replace or repair forthwith the work or materials so injured, damaged or destroyed, in accordance with the original approved plans and specifications and to the satisfaction of the Company and at Developer's own expense.

B. Liability. Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss for damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, or subcontractors incurred during the course of construction of the facilities provided for in this Agreement. Accordingly, DEVELOPER WILL INDEMNIFY AND HOLD HARMLESS the Company, its officers, directors, engineers, agents and employees from and against such claims or expenses, including penalties and assessments, to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.

C. Insurance. Developer agrees to produce and maintain all insurances described below, including insurance covering the obligations assumed by Developer under Paragraph VIII.A and Paragraph VIII.B hereof. Certificates of Issuance shall be provided to the Company before the commencement of actual construction.

1. Workmens' compensation in the benefit amounts, and occupational disease disability insurance, as required by the laws and regulations of the state.

2. Commercial general liability insurance, with minimum combined single limits of $1,000,000.00, and including operations and protective liability coverages. When the work to be performed requires blasting, Developer's insurance shall specifically cover that risk.

3. Comprehensive automobile liability insurance with a minimum combined single limits of $1,000,000.00, and covering all owned and non-owned automobiles or trucks used by or on behalf of Developer, in connection with the work.

IX. MISCELLANEOUS

Before this Agreement shall become effective and binding upon either the Company or the Developer, it must be approved by the Commission or its authorized representative. In the event that it is not so approved this Agreement shall be null and void and of no force or effect whatsoever. Each Party irrevocably warrants to the other that it has all applicable power and authority, actual, representative or otherwise, to enter into this Agreement and bind that Party's performance hereunder. This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this Agreement in favor of the Company shall not be deemed its exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by either party of any breach of this Agreement nor any failure by either party to insist on strict performance by the other party of any provision of this Agreement shall in any way be construed to be a waiver of any future or subsequent breach by such defaulting party or bar the non-defaulting party's right to insist on strict performance by the defaulting party of the provisions of this Agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

WILLOW SPRINGS UTILITIES, L.L.C.	[DEVELOPER]
By:_____	By:_____
Its:_____	Its:_____
"Company"	"Developer"

ATTACHMENTS

1. Map and Legal Description of Development
2. Engineering Plan of Water Utility Plant
3. Estimated On-Site Facilities Cost for Domestic and Fire Protection Services
4. Additional Terms and Conditions

ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

___ Single Family Residential Lots within [Subdivision], a subdivision in Pinal County, Arizona.

Please see attached plat plan.

[To be provided by the Developer]

ATTACHMENT 2

ENGINEERING PLAN OF WATER UTILITY PLANT

[To be provided by the Developer]

SAMPLE

ATTACHMENT 3

ESTIMATED ON-SITE FACILITIES COST FOR DOMESTIC AND FIRE PROTECTION SERVICES [1]

Description	Quantity	Unit Cost	Refundable	Non-Refundable	TOTAL
12" PVC WATERLINE	804 LF	$21.89	$17,600		$17,600
8" PVC WATERLINE	3,558 LF	$11.32	$40,260		$40,260
8" PVC WATERLINE	62.40 LF	$12.67	$791		$791
6" PVC WATERLINE	957 LF	$8.17	$7,821		$7,821
12" GATE VALVE, BOX & COVER	1.56 EA	$1,180.95	$1,842		$1,842
8" GATE VALVE, BOX & COVER	8.72 EA	$702.90	$6,129		$6,129
6" GATE VALVE, BOX & COVER	4 EA	477.76	$1,911		$1,911
12" MJ TEES	1.32 EA	$489.66	$646		$646
CONNECT TO EXISTING LINE	1.36 EA		$399		$399
FIRE HYDRANT	7.24 EA	$2,515.22		$18,210	$18,210
1" WATER SERVICE	55 EA	$377.18	$20,745		$20,745
¾" SINGLE SERVICE	4 EA	$282.89	$1,132		$1,132
M.J. TEES	6 EA	$251.45	$1,509		$1,509
MJ BENDS	10.76 EA	$203.03	$2,185		$2,185
TYPE "B" TAPPED CAP	.96 EA	$288.04	$277		$277
CURB STOP W/ FLUSHING CAP	.24 EA	$345.64	$83		$83
VERTICAL BEND RESTRAINT	1.44 EA	$126.74	$182		$182
TAPPING SLEEVE AND VALVE	.24 EA	$4,262.93	$1,023		$1,023
AIR RELEASE VALVE	.12 EA	$1,468.98	$176		$176
12" TEE W/ MEGALUG RESTRAINT	.36 EA	$576.07	$207		$207
ANCHOR BLOCKS	2.16 EA	$28.80	$62		$62
INSTALL CAP DIAMETER	1.56 EA	$115.21	$180		$180
INSTALL 12' DIP	31.20 EA	$40.32	$1,258		$1,258
DIP UNDER STORM DRAIN	.72 EA	$1,036.93	$747		$747
8" CAPPED PLUG & CURB STOP	4 EA	$377.18	$1,509		$1,509
		Subtotal	$108,674	$18,210	$126,884
ENGINEERING REVIEW, COMPANY SUPERVISION AND LEGAL COSTS (10%)			$8,889		$8,889
BONDS @ .7%			$664		$664
SALES TAX @ 4.29%			$3,943		$3,943
TOTAL ADVANCE/CONTRIBUTION			$122,170	$18,210	$140,380

[1] The size and quantity of the required facilities and the cost of those facilities may be subsequently revised in accordance with the approved engineering plans for this Phase. Thereafter, this Attachment and the Agreement shall be revised to reflect actual cost pursuant to Paragraph IB.

ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

☐ Check and initial if none

_____
Company

_____
Developer

ON-SITE LINE EXTENSION AGREEMENT

FOR

DEVELOPER INSTALLED WASTEWATER FACILITIES

BETWEEN

WILLOW SPRINGS UTILITIES, L.L.C.

AND

_____

FOR

[SUBDIVISION]
PINAL COUNTY, ARIZONA

_____, 200_

TABLE OF CONTENTS

ON-SITE LINE EXTENSION AGREEMENT
FOR DEVELOPER INSTALLED WASTEWATER FACILITIES

THIS ON-SITE LINE EXTENSION AGREEMENT, entered into this ____ day of _____, 200_, by and between WILLOW SPRINGS UTILITIES, L.L.C. (hereinafter referred to as the "Company"), and _____, an Arizona corporation, or its successors and assigns (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide wastewater utility service to [Subdivision] in Pinal County, Arizona (hereinafter called the "Development" and at times the "Property").

WITNESSETH:

WHEREAS, Company represents and warrants to Developer that it owns and operates a public service corporation and holds, or will hold, a Certificate of Convenience and Necessity issued by the Arizona Corporation Commission ("Commission") and other permits and governmental approvals required which authorize it to serve the public with wastewater service at the Development; and

WHEREAS, Developer is developing the Property within the area requested to be certificated to the Company, which Development is more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company has or will own and operate fully functional and permitted wastewater treatment, transmission, collection and disposal facilities sufficient to serve the Development; and

WHEREAS, the Company does not presently have wastewater collection lines on the Property sufficient to serve the Development; and

WHEREAS, under such circumstances the Commission's Rules and Regulations permit the Company to require a Contribution In Aid of Construction to provide such facilities; and

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

I. ON-SITE FACILITIES ADDITIONS; COST; PAYMENT; OFF-SITE FACILITIES AND REFUND; OTHER CHARGES; INITIATING SERVICE

A. <u>On-Site Facilities Additions</u>. The Developer will construct, or cause to be constructed certain facilities that upon completion will be conveyed to the Company as an Advance in Aid of Construction. The engineering plans for those facilities are attached to this Agreement as **Attachment 2** hereto and incorporated herein by this reference for all purposes. The estimated cost of those facilities is detailed on **Attachment 3** hereto and incorporated herein by this reference for all purposes (the "Estimated On-Site Facilities Cost"). For any subsequent phase or parcel within

the Development, the Company and Developer shall enter into a separate agreement in substantially the same form as this Agreement.

B. **Cost**. The cost of construction of the subject plant as more fully detailed in **Attachment 3**, is estimated to be [$140,378]. That estimate shall be adjusted to the amount of the invoices provided to the Company as required in Articles VI and VII. The Total Advance shall include applicable Engineering Review, Company Supervision, and Legal Fees, plus applicable Income Taxes, as discussed in Paragraph VII.C., below.

C. **Payment.** Developer shall pay the Total Advance under this Agreement in accordance with Paragraphs VII B and C.

D. **Initiating Service.** In the event Developer requests that the Company to set a water meter at a specific service address during Developer's construction of improvements on that lot and prior to the occupancy of the premises, the Developer shall simultaneously request wastewater service from the Company and pay all of the Company's applicable Tariffed rates and charges for the establishment and availability of that service, whether or not that service is continuously utilized.

II. SERVICE; APPLICABLE RATES

A. **Service.** The subject plant additions are being installed primarily for the purpose of providing domestic wastewater service to the Development. Company's obligation for service and timing of initial service to the Development shall be as set by the stricter of AAC R14-2-607(C) and (D), or this Agreement. Company shall comply with such regulations and any other applicable law. Service will be provided in accordance with good utility practice.

B. **Applicable Rates**. It is mutually understood and agreed that the charges for wastewater services to said Development shall be at the applicable rates of the Company which are currently on file with the Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. **Permits and Licenses**. Developer agrees to obtain at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of the Facilities on the Property under this Agreement or development of the subject Property and shall comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals for the Facilities shall be added to the amount of the Advance In Aid Of Construction. The applicable health department Approval to Construct the Facilities shall be provided upon execution of the Agreement. The Approval of Construction shall be provided prior to the Company being obligated to provide service to the Development. The Company shall be responsible for obtaining all licenses, permits, certificates and approvals from public authorities

which may be required under the Master Utility Agreement and for all other facilities into which the Developer constructed facilities will be intertied and connected. The Company shall thereafter be responsible for the construction and operation at its cost of all other wastewater facilities necessary to serve the Development.

B. Easements and Deeds. In the event the facilities identified in **Attachment 2** hereto are not within a dedicated public right-of-way or public utility easement, then and in that event, the Developer shall provide to the Company an easement in favor of the Company and in a form acceptable to the Company. Said easement shall be sufficient in size and scope for the construction, operation, maintenance and repair of the Facilities within that area. All rights of way, public and private easements shall be and remain free of all obstacles that may interfere with the Company's access, use, operation and maintenance of the Facilities. Said easement shall be recorded prior to the Company being obligated to provide service to the Development. In the event of any dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require the Developer to obtain at Developer's cost a survey from a registered land surveyor to verify the easement boundaries. Said survey shall only be required to the extent necessary to identify and locate the legal description or to resolve the dispute or discrepancy. All lift station sites, if any, shall be deeded to the Company by special warranty deed through a mutually acceptable escrow agreement in a form acceptable to the Company, free and clear of all liens and encumbrances, and with appropriate title insurance.

C. Title. All materials installed, Facilities constructed and equipment provided by Developer in connection with construction of the Facilities under this Agreement and the completed Facilities as installed for which an Approval of Construction has been issued by the Arizona Department of Environmental Quality ("ADEQ") or the appropriate agency, and a copy of which has been delivered to the Company in accordance with Paragraph VID shall become the sole property of the Company. Full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company. However, Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said Facilities free and clear of all liens. The Company shall confirm in writing the acceptance of title to the On-Site Facilities.

IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; PLANS AND SPECIFICATIONS; WORKMANSHIP, MATERIALS, EQUIPMENT AND MACHINERY; ACCEPTANCE; CONNECTING NEW FACILITIES; EXISTING UNDERGROUND FACILITIES RESPONSIBILITIES

A. Commencement of Performance and Time of Completion. It is estimated that the Developer started the construction work to be performed under this Agreement in _____, 200_ and will complete the construction work to be performed under this Agreement in _____, 200_. Failure to meet those estimated dates shall in no way relieve the Developer or Company of any of their obligations under this Agreement.

B. Plans and Specifications. All plans, specifications and construction shall be in accordance with good utility practices and in accordance with all rules, regulations, specifications and requirements of the Company and all regulatory agencies, including but not limited to the Commission, the ADEQ and all local regulatory agencies having jurisdiction over water service and facilities. All of said plans and specifications shall have all requisite approvals in writing of all necessary agencies and the approval in writing of Company before construction is commenced. The Company's review and comments shall be provided to the Developer within 20 calendar days after submittal of the plans and specifications to the Company. The Company's approval of the plans and specifications shall be provided within 20 calendar days after final resubmittal of the plans and specifications incorporating the Company's comments. Plans and specifications as approved by Company and all applicable agencies for wastewater Facilities to be constructed hereunder will be incorporated herein by reference and made part of this Agreement.

C. Materials, Workmanship, Equipment and Machinery. All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the Company, all regulatory agencies having jurisdiction over water service and facilities, including but not limited to the Commission, the ADEQ and all local regulatory agencies. Developer shall assign to the Company the warranties of its contractor(s) for the Facilities to be built pursuant to this Agreement, which warranties shall be no less than two (2) years. If the Developer constructs the Facilities itself, or the subcontractor's warranty is inadequate, the Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within two (2) years after the Company acknowledged Final Acceptance of such Facilities.

D. Acceptance. Operational Acceptance of the Facilities by the Company shall occur at the time the Developer has provided all of the following items to the Company as required by this Agreement: (i) all fees, costs and funds required under this Agreement; (ii) the Approval to Construct the Facilities; and (iii) all required Deeds and Easements. The Company shall assume operational responsibilities for the Facilities only after receipt of the above. Final Acceptance of the Facilities by the Company shall occur only after the Company receives all of the following as otherwise required by this Agreement: (i) all items required for Operational Acceptance; (ii) the Approval of Construction; (iii) all invoices; (iv) all lien waivers; (v) copies of all permits and licenses; (vi) all required evidences of title; and (vii) the "as-built" plans. If all documents for the

Company's Final Acceptance are not received within sixty (60) days of the Operational Acceptance, the Company shall have no obligation to connect additional service lateral on lots within the Development, until such time as Developer has complied with these requirements.

E. Connecting New Facilities. The Facilities constructed pursuant to the Agreement shall not be connected to the Company's existing facilities, or operated, without the prior written approval of Company. In the event the Facilities require retesting or additional mandrelling, pressure testing or video inspection after Operational Acceptance as hereinabove defined and prior to going into service, the Company may bill the Developer for all costs associated with that procedure.

F. Existing Underground Facilities Responsibility. Developer shall be responsible for complying with A.R.S. 40-360.21, et seq., and related local regulations, and will assume all costs and liabilities associated with (i) coordination with the owners or agents of all underground facilities within and adjacent to the Development regarding the location of such facilities, and (ii) construction near, or damage to, such underground facilities. Developer will conduct, or cause to be conducted, all excavation in a careful and prudent manner in its construction of all Facilities subject to this Agreement.

G. Additional Terms and Conditions. Any additional terms and conditions applicable to this Agreement are contained in **Attachment 4** attached hereto and incorporated herein by this reference for all purposes.

V. INSPECTION, TESTING AND CORRECTION OF DEFECTS; DAMAGE AFTER ACCEPTANCE; ADVISING SUBCONTRACTORS

Developer shall comply with the inspection and testing requirements of the Company for the Facilities to be constructed hereunder; said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall promptly notify the Company when Facilities under construction are ready for inspection and testing. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the Company's plans and specifications and all agreements between the parties within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and Holidays). In the event a requested inspection results in overtime or off-hour costs to the Company, then and in that event the Company's costs, including all overheads, shall be separately billed to the Developer.

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its various parts. The approval of work by any such inspector shall not relieve Developer from its obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specification approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that

no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Amount of Contribution pursuant to Paragraph VIIA. The Company specifically reserves the right to withhold approval and to forbid connection of the Facilities constructed pursuant to this Agreement to the Company's system unless such Facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

B. **Damage after Acceptance.** Developer acknowledges that it will perform certain non-utility construction within the Development subsequent to the Operational Acceptance of the Facilities by the Company. Therefore, the Developer hereby agrees to immediately repair or replace, consistent with the plans and specifications, any damage to the Facilities caused by the Developer, its subcontractors or unknown parties. In the event the damage is to a collection main six inches in diameter or larger, Developer shall call the Company for an inspection as contemplated in Paragraph VA.

C. **Advising Subcontractors.** Developer agrees that prior to the start of any construction under this Agreement, Developer will advise all agents, employees, and subcontractors who performed physical work in the Development that Developer has certain obligations under this Agreement, specifically those regarding Permits, Invoices, Lien Waivers and Title to the Facilities pursuant to Paragraph VI, and Inspections, Repairs and Damage to the Facilities during and after construction pursuant to Paragraph V. Developer's obligation to advise its agents, employees and subcontractors of these matters shall not relieve Developer of its responsibilities for the above referenced items.

VI. APPROVAL OF CONSTRUCTION; INVOICES; LIENS; "AS-BUILT" PLANS; CONDITION PRECEDENT TO INITIAL SERVICE

A. **Approval of Construction.** The Approval of Construction for the wastewater Facilities that the Developer is obligated to obtain under Paragraph IIIA of this Agreement shall be delivered to the Company prior to the time the Company takes Operational Acceptance of the Facilities or is obligated to provide water or wastewater service to the Development.

B. **Invoices.** Developer agrees to furnish Company, within thirty (30) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed, equipment provided, materials purchased and all else done for construction pursuant to this Agreement, evidencing the actual cost thereof.

C. **Liens.** Developer acknowledges its duty to obtain lien waivers from all entities providing labor, materials or services contemplated by this Agreement. Developer hereby irrevocably waives any rights it may now have or which it may acquire during the course of this Agreement to record liens against the Company or its property. Developer shall also pay, satisfy and discharge, or bond over all mechanics', materialmen's and other liens, and all claims, obligations and liabilities which may be asserted against the Company or its property by reason of the Developer's construction of the improvements to be constructed pursuant to this Agreement.

D. **"As-Built" Plans.** Developer agrees to furnish the Company, within thirty (30) days after completion of construction, "as-built" drawings showing the locations of all mains, manholes, valves, and service laterals and connections to all structures served from Facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible milar prints, and in a digital format (i.e. AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats. Red-lined construction drawings shall not be acceptable as "As-built" drawings.

E. **Condition Precedent to Initial Service.** Developer acknowledges and agrees that the Company will not permit connection of any service lateral or provide service to any lot within the Development prior to the receipt of the documents required by Paragraph III.A., B and C, and Paragraphs VI.A., B, C and D hereof.

VII. AMOUNT OF ADVANCE; TIME OF PAYMENT; INCOME TAX; REFUND; NOTICE

A. **Amount of Advance.** Based on the estimated cost contained in Paragraph IB, and subject to receiving invoices pursuant to Paragraph VIB, totaling at least the estimated cost and the income tax payable under Paragraph I.C, the Total Advance by the Developer shall be a total of [$140,378]. The Total Advance shall be a non-refundable Contribution In Aid of Construction pursuant to this Paragraph VII. If the actual construction cost is less than the estimated Contribution, the Contribution shall be the lesser amount, to the extent supported by invoices provided pursuant to Paragraph VI.B. If the actual cost is more than the estimated Contribution, the Contribution shall be the greater amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If funds were advanced by the Developer for the construction by the Company, advances in excess of the actual construction, as well as advanced funds in excess of actual Engineering Review, Company Supervision and Legal Costs, will be refunded to the Developer within thirty (30) days of completion and acceptance of the construction.

B. **Time of Payment.** The payment of the Advance under this Agreement shall be as follows:

1. Upon execution of this Agreement, Developer shall advance the Engineering Review, Company Supervision and Legal Costs as set forth in **Attachment 3**. This Contribution totals [$8,889].

2. Upon completion of the construction to be performed by the Developer, Developer shall provide the documentation required by Paragraphs III, IV, V, and VI of this Agreement.

C. **Income Taxes.** In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimate in **Attachment 3** is taxable income to the Company as of the date of this Agreement, or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement. These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph VII.D, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph VII.C. The income tax advance refunds shall be based on the annual refund amount under Paragraph VII.D, and computed at the same rate the advance was originally assessed.

D. **Computation of Refund.** Refunds of the Advance In Aid of Construction shall be made to the Developer by the Company on or before the 31st day of August of each year commencing with August of 200_, covering any refunds owing from water revenues received during the preceding July 1 to June 30 period. Any additional charge made by the Company based

on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal five percent (5%) of the total gross annual revenue from water sales to each bona fide customer in the Development for a period of twenty (20) years. Such annual payments shall continue to be made by the Company to Developer until such time as Developer receives full amount of the Advance or for a period of twenty (20) years, whichever occurs first. The twenty (20) year period described herein shall begin from the date of this Agreement, provided however, in the event the Developer has not provided all documentation required by Sections III and VI of this Agreement within ninety (90) days of the Operational Acceptance of the Facilities by the Company, then and in that event, refunds for the years before receipt of said documentation shall be irrevocably waived by the Developer, those funds shall become Contributions In Aid of Construction, and the ten year refund period shall not be extended beyond the original refund period. If the entire Advance has not been refunded to Developer at the end of such twenty (20) ten period, the Company's obligation to make such refund payments shall cease and the portion of the Advance that was not so refunded shall become non-refundable, and shall be entered as a Contribution In Aid of Construction in the accounts of the Company.

E. Maximum Refund; Interest on Advance; Limitation on Revenues. The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on any amounts advanced. The Company shall make no refunds from any revenue received from properties other than those located within the phase of the Development covered by this Agreement and contained within the area identified in **Attachment 1** to this Agreement.

F. Right to Off-Set. In the event the Developer breaches any monetary or other obligation of the Developer to the Company that is capable of remedy by payment of funds to the Company, whether that obligation is due pursuant to this Agreement or any other Agreement or Tariff between the Company and the Developer, then and in that event, the Company may off-set the refund of the Advance to the Developer under Paragraph VII of this Agreement to the extent and for the period of time necessary to satisfy the Developer's obligation. This right of off-set shall in no way limit or delay the Company's right to pursue any and all legal or equitable remedies otherwise available to the Company.

G. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Commission, of any portion of its water system, including the Facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph VII.D hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph VII.D of this Agreement.

H. Company's Right of First Refusal. Before selling or transferring the obligation of the Company under this Agreement to refund the Advance, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or

persons which he may desire to accept. This provision shall not apply to Developer's assigning or pledging the Agreement in connection with any lender's requirements.

I. **Notice.** Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the Party to whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and addressed to the Party to whom notice is being provided as follows:

Company:

WILLOW SPRINGS UTILITIES, L.L.C.
Attn: Manager
1600 East Hanley Blvd, Suite 127
Oro Valley, Arizona 85737

Developer:

_____
_____
_____
_____

Each Party shall promptly provide written notice to the other Party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

VIII. RISK; LIABILITY; INSURANCE

A. **Risk.** Developer shall carry on all work required hereunder at its own risk until the same is fully completed and accepted by the Company and will, in case of accident, destruction or injury to the work or material before such final completion and acceptance, replace or repair forthwith the work or materials so injured, damaged or destroyed, in accordance with the original approved plans and specifications and to the satisfaction of the Company and at Developer's own expense.

B. **Liability.** Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss for damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, or subcontractors incurred during the course of construction of the facilities provided for in this Agreement. Accordingly, DEVELOPER WILL INDEMNIFY AND HOLD HARMLESS the Company, its officers, directors, engineers, agents and employees from and against such claims or expenses, including penalties and assessments, to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.

C. **Insurance.** Developer agrees to produce and maintain all insurances described below, including insurance covering the obligations assumed by Developer under Paragraph VIII.A and Paragraph VIII.B hereof. Certificates of Issuance shall be provided to the Company before the commencement of actual construction.

1. Workmens' compensation in the benefit amounts, and occupational disease disability insurance, as required by the laws and regulations of the state.

2. Commercial general liability insurance, with minimum combined single limits of $1,000,000.00, and including operations and protective liability coverages. When the work to be performed requires blasting, Developer's insurance shall specifically cover that risk.

3. Comprehensive automobile liability insurance with a minimum combined single limits of $1,000,000.00, and covering all owned and non-owned automobiles or trucks used by or on behalf of Developer, in connection with the work.

IX. MISCELLANEOUS

Each Party irrevocably warrants to the other that it has all applicable power and authority, actual, representative or otherwise, to enter into this Agreement and bind that Party's performance hereunder. This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this Agreement in favor of the Company shall not be deemed its exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by either party of any breach of this Agreement nor any failure by either party to insist on strict performance by the other party of any provision of this Agreement shall in any way be construed to be a waiver of any future or subsequent breach by such defaulting party or bar the non-defaulting party's right to insist on strict performance by the defaulting party of the provisions of this Agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

WILLOW SPRINGS UTILITIES, L.L.C.	[DEVELOPER]
By:_____	By:_____
Its:_____	Its:_____
"Company"	"Developer"

ATTACHMENTS

1. Map and Legal Description of Development
2. Engineering Plan of Wastewater Utility Plant
3. Estimated On-Site Facilities Cost
4. Additional Terms and Conditions

ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

___ Single Family Residential Lots within [Subdivision], a subdivision in Pinal County, Arizona.

Please see attached plat plan.

[To be provided by the Developer]

ATTACHMENT 2

ENGINEERING PLAN OF WASTEWATER UTILITY PLANT

[To be provided by the Developer]

SAMPLE

ATTACHMENT 3

ESTIMATED ON-SITE FACILITIES COST FOR WASTEWATER SERVICE [1]

Description	Quantity	Unit Cost	Refundable	Non-Refundable	TOTAL
[INSERT DETAILS]					
		Subtotal	$0	$126,884	$126,884
ENGINEERING REVIEW, COMPANY SUPERVISION AND LEGAL FEES (10%)			$0	$8,889	$8,889
BONDS @ .7%			$0		$664
SALES TAX @ 4.29%			$0		$3,943
TOTAL ADVANCE/CONTRIBUTION			$0	$140,379	$140,379

[1] The size and quantity of the required facilities and the cost of those facilities may be subsequently revised in accordance with the approved engineering plans for this Phase. Thereafter, this Attachment and the Agreement shall be revised to reflect actual cost pursuant to Paragraph IB.

ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

☐ Check and initial if none

_____
Company

_____
Developer